

**CAMDEN ACADEMY
CHARTER HIGH SCHOOL, INC.
Camden, New Jersey**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Fiscal Year Ended June 30, 2015

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

**Camden Academy Charter High School, Inc.
Board of Trustees**

Camden, New Jersey

For the Fiscal Year Ended June 30, 2015

Prepared by

Camden Academy Charter High School Board of Trustees

Finance Department

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OF THE CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
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INTRODUCTORY SECTION

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
879 BEIDEMAN AVE.
CAMDEN, NJ 08105

Dr. Joseph V. Conway
Chief School Administrator
856-365-1000 x 101

Richelle H. Baughn
Board Secretary
856-365-1000 x 103

November 27, 2015

Members of the Board of Trustees
Camden Academy Charter High School
County of Camden
Camden, New Jersey

Dear Board Members,

The comprehensive annual financial report of the Camden Academy Charter High School for the fiscal year ended June 30, 2015, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Charter School. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the final position and results of operations of the various funds of the Charter School. All disclosures necessary to enable the reader to gain an understanding of the Charter School's financial activities have been included.

The comprehensive annual financial report is presented in four sections as follows:

- The introductory section includes this transmittal letter, the Charter School's organizational chart and a list of principal officials.
- The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon.
- The statistical section includes the first fiscal year of unaudited data.
- The charter school is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the U.S. Office of Management Budget Circular A-133, "Audits of States, Local Governments and Non-profit Organizations", and the New Jersey OMB circular letter 04-04 OMB, "Single Audit Policy for recipients of federal grants, State grants and state aid payments". Information related to this single audit, including the auditor's report on internal control and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

The Camden Academy Charter High School, Inc. is an independent reporting entity within the criteria adopted by the Government Standards Board (GASB) as established by GASB Statement No. 14. All funds of the Charter school are included in this report. The Camden Academy Charter High School, Inc. Board of Trustees and its school constitute the Charter School's reporting entity.

The Charter School is responsible for providing a thorough and efficient educational system for students in grades taught at the one school maintained. The Charter School completed the 2013-2014 fiscal year with an enrollment of 433 high school students.

2. ECONOMIC CONDITION AND OUTLOOK:

The City of Camden area is a large urban community in Camden County and is presently considered to possess a stagnant economy.

Initiatives

The Charter School has developed a comprehensive strategic plan to support its mission and vision and serve as a blueprint for the achievement of its goals. The plan includes objectives such as pupil achievement, staff development and technology in the classroom. These initiatives will be strengthened with the transfer of buildings, along with the related lease commitments, to the Camden Charter School Network, Inc.

3. INTERNAL ACCOUNTING CONTROLS:

Management of the Charter School is responsible for establishing and maintaining internal control designed to ensure that the assets of the Charter School are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal awards and state financial assistance, the Charter School also is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. Internal control is also subject to periodic evaluation by the Charter School management.

As part of the Charter School's single audit described earlier, tests are made to determine the adequacy of internal control, including that portion related to federal awards and state financial assistance programs, as well as to determine that the Charter School has complied with applicable laws and regulations.

4. BUDGETARY CONTROLS:

In addition to internal accounting controls, the Charter School maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. Annual appropriated budgets are adopted for the general fund and the special revenue fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2015.

5. ACCOUNTING SYSTEM AND REPORTS:

The Charter School's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the Charter School is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements," Note 2.

6. RISK MANAGEMENT:

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

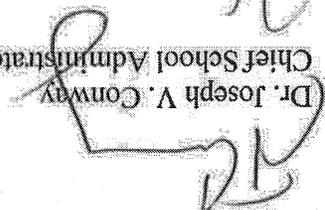
7. OTHER INFORMATION:

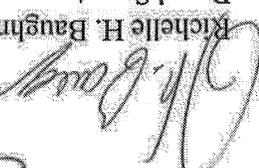
Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. Raymond Colavita, C.P.A., R.M.A. of the accounting firm of Nightlinger, Colavita and Volpa, PA, was selected by the Board's Audit Committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act amendment of 1996 and the related OMB Circular A-133 and State Treasury Circular Letter 04-04 OMB. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

8. ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Camden Academy Charter High School, Inc. Board of Trustees for their concern in providing fiscal accountability to the community and contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,


Dr. Joseph V. Conway
Chief School Administrator

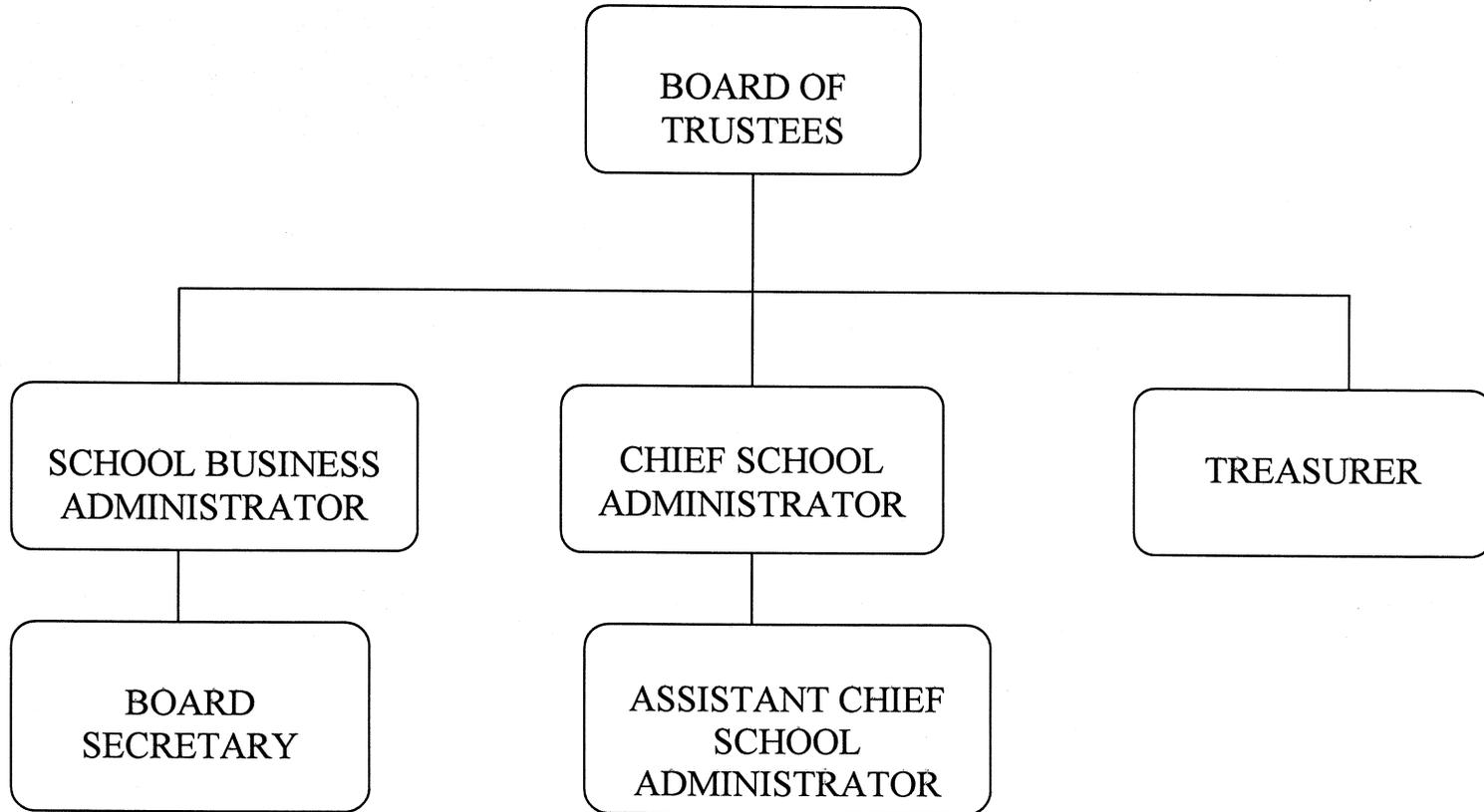

Richelle H. Baughn
Board Secretary

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC

Camden, New Jersey

Camden County

(UNIT CONTROL)



CAMDEN'S ACADEMY CHARTER HIGH SCHOOL, INC.
CONSULTANTS AND ADVISORS

AUDIT FIRM

Raymond Colavita, C.P.A., R.M.A.
Nightlinger, Colavita and Volpa, P.A.
Certified Public Accountants
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Williamstown, NJ 08094

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Attorney-at-Law
Lipman, Antonelli, Batt, Gibson, Malestein, Rothman, & Capasso
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OFFICIAL DEPOSITORY

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Camden, New Jersey 08103

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FINANCIAL SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

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November 27, 2015

INDEPENDENT AUDITOR'S REPORT

To The Members of
The Board of Trustees
Camden Academy Charter High School, Inc.
County Of Camden
Camden, New Jersey 08105

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Trustees of the Camden Academy Charter High School, Inc. in the County of Camden, State of New Jersey, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the, Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Camden Academy Charter High School, Inc., Board of Trustees, in the County of Camden, State of New Jersey, as of June 30, 2015, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

The Management Discussion and Analysis and Budgetary Comparison Information on pages 10 through 18 and 50 through 52 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Camden Academy Charter High School, Inc., Board of Trustees financial statements as a whole. The accompanying introductory section, other supplementary information such as the combining and individual non-major fund financial statements, and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by the United States Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04 and/or 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and are not a required part of the financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide an assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2015 on our consideration of the Camden Academy Charter High School, Inc.'s Board of Trustees internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, C.P.A., R.M.A.
Licensed Public School Accountant
No. 915

REQUIRED SUPPLEMENTARY INFORMATION – PART I

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
CITY OF CAMDEN

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

UNAUDITED

The discussion and analysis of Camden Academy Charter High School, Inc.'s financial performance provides an overall review of the School's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the School's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School's financial performance.

Financial Highlights

Key financial highlights for 2015 are as follows:

- ❖ Total revenues of the school were \$9,623,575 of which general revenues accounted for \$7,721,654 or 80.2% percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$1,901,921 or 19.8% percent of all Revenues.
- ❖ Total net position of governmental activities decreased by \$3,426,279.
- ❖ The School had \$9,929,668 in total expenses. Only \$1,901,921 of these expenses was offset by program specific charges for services, grants or contributions. General revenues of \$7,721,654 consisted of Federal and State Aid of \$395,866, property taxes of \$7,305,318, other revenue of \$29,469, a decrease in prior year receivables of \$8,999 and a fixed asset adjustment of \$3,095,231 were adequate to provide for the school's programs.
- ❖ The General Fund had \$8,112,322 in revenues, \$8,388,118 in expenditures and other financing uses of \$20,248. The General Fund's balance decreased \$296,044 over 2014. This decrease was anticipated by the Board of Trustees, as planned capital outlay expenditures was a priority.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Camden Academy Charter High School, Inc. as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School, presenting both an aggregate view of the School's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Camden Academy Charter High School, Inc., the General Fund is by far the most significant fund.

Reporting the School as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School to provide programs and activities, the view of the School as a whole looks at all financial transactions and asks the question, "How did we do financially during 2015?" The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School's Net Position and changes in those assets. This change in Net Position is important because it tells the reader that, for the School as a whole, the financial positions of the School has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the property tax base of the School's resident districts, current laws in New Jersey concerning revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School is divided into two distinct kinds of activities:

- ❖ **Governmental Activities** – All of the School's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- ❖ **Business – Type Activities** – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

Reporting the School's Most Significant Funds

Fund Financial Statements

The analysis of the School's major (all) funds begins on page 21. Fund financial reports provide detailed information about the School's major funds. The School uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School's most significant funds. The School's major governmental funds are the General Fund and Special Revenue Fund.

Governmental Funds

The School's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore these statements are essentially the same.

The School as a Whole

Recall that the Statement of Net Position provides the perspective of the School as a whole.

Table 1 provides a comparative summary of the School's Net Position for the years ended in 2015 and 2014.

Table 1
Net Position

	2015	2014
Assets		
Current and Other Assets	\$ 1,683,190	\$ 2,223,021
Capital Assets, Net	1,971,109	5,296,414
Total Assets	<u>3,654,299</u>	<u>7,519,435</u>
Deferred Outflows of Resources:	<u>184,247</u>	<u>61,182</u>
Liabilities		
Other Liabilities	1,077,387	1,212,252
Long-term Liabilities	1,684,979	1,913,633
Total Liabilities	<u>2,762,366</u>	<u>3,125,885</u>
Deferred Inflows of Resources:	<u>53,363</u>	<u>30,591</u>
Net Position		
Invested in Capital Assets, Net of Debt	286,130	3,382,781
Restricted:		
Capital Reserve	929,733	929,733
Capital Projects	141,507	157,312
Other Purposes	75,000	397,960
Unrestricted (Deficit)	(409,553)	(443,645)
Total Net Position	<u>\$ 1,022,817</u>	<u>\$ 4,424,141</u>

Table 2 shows the changes in Net Position from fiscal year's 2015 and 2014.

Table 2
Changes in Net Position

	2015	2014
Revenues		
Programs Revenues		
Charges for Services	\$ 11,580	\$ 19,719
Operating Grants and Contributions	1,890,341	1,191,058
General Revenues		
Property Taxes	7,305,318	6,799,360
Grants and Entitlements	395,866	458,780
Other	20,470	276,574
Total Revenues	9,623,575	8,745,491
Program Expenses		
Instruction	3,813,325	3,361,632
Support Services		
School Administration	821,643	639,491
Support Services	4,772,551	4,149,226
Other	304,780	357,576
Food Service	217,369	190,732
Total Expenses	9,929,668	8,698,657
Adjustment to Fixed Assets	(3,095,231)	-
Decrease in Net Position	\$ (3,401,324)	46,834

Governmental Activities

The School's total revenue for the fiscal year ended June 30, 2015 was \$9,623,575, of which governmental revenues were \$7,710,295. As a Charter School, voter approval for the School operations is not required in New Jersey. Property taxes made up 94.7 % percent of revenues for governmental activities for the Camden Academy Charter High School, Inc. for fiscal year 2015. Federal, state and local grants accounted for another 5.1% and miscellaneous revenue accounted for .02%. The School's total expenses were \$9,929,668, of which the net cost of all governmental programs and services was \$8,041,343. Instruction comprises 45.2% of School expenses.

Business-Type Activities

Revenues for the School's business-type activities (food service program) were comprised of charges for services and federal and state reimbursements.

- ❖ Food service revenues exceeded expenses by \$13,596. There was also \$110 in interest income.
- ❖ Charges for services represent \$11,580 of revenue. This represents amount paid by patrons for daily food services, which amounts to 5% of \$230,965 in total revenue.
- ❖ Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities were \$219,385.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the School's resident district taxpayers by each of these functions.

Table 3

	Total Cost of Services 2015	Net Cost of Services 2015	Total Cost of Services 2014	Net Cost of Services 2014
Instruction	\$ 3,813,325	\$ 3,636,894	\$ 3,361,632	\$ 3,155,598
Support Services				
School Administrative Services	821,643	359,292	639,491	129,089
Support Services	4,772,551	3,740,377	4,149,226	3,874,760
Other	304,780	304,780	357,576	357,576
Total Expenses	\$ 9,712,299	\$ 8,041,343	\$ 8,507,925	\$ 7,517,023

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration and business include expenses associated with administrative and financial supervision of the School.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition.

Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Extracurricular activities includes expenses related to student activities provided by the School which are designated to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to liabilities of the School.

Other includes unallocated depreciation and amortization.

The School's Funds

Information about the School's major funds starts on page 21. These funds are accounted for using the modified accrual basis of accounting. All Governmental Funds (i.e., General, Special Revenue, Capital Projects and Debt Service Funds presented in the fund-based statements) had total revenues of \$8,790,146 and expenditures of \$9,081,747. The net negative change in fund balance for the year was due to a decrease of \$275,796 in the General Fund and a decrease of \$15,805 in the Capital Projects Fund. There was also a transfer to the Food Service Fund in the amount of \$20,248. As these results indicate, the school demonstrated that it was able to meet current operating costs with no urgent need for additional funds.

As demonstrated by the various statements and schedules included in the financial section of this report, the School continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds (excluding capital projects) for the fiscal year ended June 30, 2015, and the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2014</u>	<u>Percent Increase/ (Decrease)</u>
Local Sources	\$ 559,521	6%	\$ (173,929)	-36%
State Sources	7,781,455	89%	469,887	6%
Federal Sources	449,170	5%	(31,330)	-8%
Total	<u>\$ 8,790,146</u>	<u>100%</u>	<u>\$ 264,628</u>	<u>3%</u>

The increase in Local Sources is attributed to an increase in local tax levy of \$73,188 and decreased revenue from other sources of \$247,117.

The increase in State Sources is attributed to increases in the general fund state aid of \$458,082 and \$11,805 in the Debt Service Fund.

The increase in Federal Sources is attributed to a net increase in various grant awards.

The following schedule presents a summary of All Governmental Fund expenditures for the fiscal year ended June 30, 2014.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2014</u>	<u>Percent Increase (Decrease)</u>
Current:				
Instruction	\$ 3,813,325	41%	\$ 451,693	15%
Undistributed expenditures	4,965,062	55%	175,457	4%
Capital Outlay	74,706	1%	(605,895)	-64%
Debt Service Principal	228,654	3%	11,805	6%
Total	<u>\$ 9,081,747</u>	<u>100%</u>	<u>\$ 33,060</u>	<u>0%</u>

The increase in Instruction is attributed to the net increase in teacher's salaries, purchased professional-educational services and other line items differences for a net increase of \$451,693.

The increase in Undistributed Expenditures is attributed to increases in administrative expenses, employee benefits and other support expenditures.

The decrease of \$605,895 in capital outlay expenditures is attributed to \$208,948 in reduced equipment purchases and \$396,947 less in building improvements, during the current school year.

The increase of \$11,805 in debt service is attributed to repayment of the School Construction Bonds during the current school year, in accordance with debt service schedules.

General Fund Budgeting Highlights

The School's Budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of the fiscal year 2015, the School amended its General Fund budget as needed. The School uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

- ❖ Staffing changes based on student needs.
- ❖ Additional costs for student transportation both in regular education and special education.
- ❖ Accounting changes in maintenance and operations
- ❖ Changes in appropriations to prevent budget overruns.

While the School's final general fund budget anticipated the use of fund balance in the amount of \$188,964, to balance revenues with expenditures, the actual results for the year show expenditures of \$296,044 in excess of revenues.

- ❖ Actual revenues were lower than expected due to a net reduction of miscellaneous revenue. Excluding the on-behalf pension and social security state aid revenue of \$610,433, the result is a net negative variance of \$51,835 per C-1.
- ❖ The actual expenditures were lower than expected, primarily in the area of Capital Outlay. Excluding the on-behalf pension and social security state aid payments of \$610,433, the result was a favorable variance of \$220,250 per Exhibit C-1.

Capital Assets

At the end of the fiscal year 2015, the School had \$1,971,109 invested in leasehold improvements, furniture and equipment, and vehicles. Table 4 shows fiscal 2015 balances compared to 2014.

Table 4
Capital Assets (Net of Depreciation) at June 30

	2015	2014
Land	\$ -	\$ 419,081
Leasehold Improvements	1,596,305	866,760
Building		3,485,436
Vehicle	113,016	234,512
Machinery and Equipment	261,788	290,625
	\$ 1,971,109	\$ 5,296,414

Overall capital assets decreased \$3,325,305 from fiscal year 2014 to fiscal year 2015. The decrease resulted from expenditures of \$74,706 offset by depreciation expense of \$304,780 and a transfer of \$3,095,231 in fixed assets to the Camden's Charter School Network.

Operating Leases

The Charter School currently has three outstanding building lease agreements, as tenant, with the Camden's Charter School Network Inc. Stipulated in each lease agreement, there is an automatic renewal provision after five years at the end of the 2019-20 School Year. In addition, the Charter School has lease agreements for seven copy machines through the 2019-20 School Year.

Debt Administration:

On July 8, 2011, the District's issued NJEDA Qualified School Construction Bonds in the amount of \$2,467,080 at 5.24% interest up to July 1, 2016, at such time when the bonds become callable. These bonds are to be treated as Qualified School Construction Bonds in accordance with Section 54F of the Internal Revenue Code of 1986. The balance of the bonds payable, as of June 30, 2014, is \$1,684,979.

The proceeds of these bonds are to partially fund the construction of renovations to an existing building in the City of Camden, New Jersey, owned by the Charter School.

In accordance with Section 6431 of the Code, the Charter School, by way of the NJEDA, is to receive Credit/Subsidy payments equal to the lesser of rate specified by the US Treasury or the interest payable on the bonds. These credit/subsidy payments have been partially reduced during the year, due to the sequester policy at the federal level.

The School transferred buildings, along with the associated operating lease commitments, to the Camden Charter School Network, Inc. This transfer settled in February of 2015.

For the Future

The Camden Academy Charter High School, Inc. is presently in good financial condition. Continued optimum enrollment in the School will provide future financial stability. Upon completion of the buildings and related lease transfer to the Camden Charter School Network, Inc., the School will be well positioned to concentrate on curriculum and other operating functions, as various operating efforts will be streamlined.

As a charter school, it is a concern of the Board of Trustees of the School as to how future budgets would be financed. The administrator closely monitors instructional, as well as support and administrative costs of the School.

In conclusion, the Camden Academy Charter High School, Inc. continued to be committed to sound financial planning, budgeting, and internal financial controls in order to meet the challenges of the future. This was accomplished, while meeting the goal of providing a quality four year charter high school, emphasizing a pathway to higher educational opportunities.

Contacting the School's Financial Management

This financial report is designed to provide our citizens, taxpayers and oversight entities with a general overview of the School's finances and to show the School's accountability for the money it receives. If you have questions about this report or need additional information please contact Dr. Joseph Conway, School Administrator at Camden Academy Charter High School, Inc., Camden, N.J.

BASIC FINANCIAL STATEMENTS

CHARTER SCHOOL - WIDE FINANCIAL STATEMENTS

The Statement of Net Positions and the statement of activities display information about the School. These statements include the financial activities of the overall School, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the School.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
STATEMENT OF NET POSITION
JUNE 30, 2015

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,140,363	\$ 136,979	\$ 1,277,342
Cash with Fiscal Agents	74,195		74,195
Receivables, Net	293,027	32,433	325,460
Due from Other Funds	6,193		6,193
Capital Assets, Net (Note 4):	1,971,109		1,971,109
Total Assets	<u>3,484,887</u>	<u>169,412</u>	<u>3,654,299</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Pension Outflow	184,247		184,247
LIABILITIES			
Accounts Payable	71,774		71,774
Accrued Interest on Bonds	6,995		6,995
Due to Other Governments	16,097	77,970	94,067
Unearned Revenue	9,119		9,119
Net Pension Liability	895,432		895,432
Non-current Liabilities (Note 6):			
Due Within One Year	240,878		240,878
Due Beyond One Year	1,444,101		1,444,101
Total Liabilities	<u>2,684,396</u>	<u>77,970</u>	<u>2,762,366</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred Pension Inflow	53,363		53,363
NET POSITION			
Invested in Capital Assets, Net of Related Debt Restricted:			
Capital Reserve	929,733		929,733
Capital Projects	141,507		141,507
Other Purposes	75,000		75,000
Unrestricted (Deficit)	(500,995)	91,442	(409,553)
Total Net Position	<u>\$ 931,375</u>	<u>\$ 91,442</u>	<u>\$ 1,022,817</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Governmental Activities:						
Instruction	\$ 3,813,325	\$ -	\$ 176,431	\$ (3,636,894)	\$ -	\$ (3,636,894)
Administration	821,643		462,351	(359,292)		(359,292)
Support Services	4,772,551		1,032,174	(3,740,377)		(3,740,377)
Unallocated Depreciation	304,780			(304,780)		(304,780)
Total Governmental Activities	9,712,299		1,670,956	(8,041,343)		(8,041,343)
Business-type Activities:						
Food Service	217,369	11,580	219,385		13,596	13,596
Total Business-type Activities	217,369	11,580	219,385		13,596	13,596
Total Primary Government	\$ 9,929,668	\$ 11,580	\$ 1,890,341	\$ (8,041,343)	\$ 13,596	\$ (8,027,747)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				\$ 7,076,664	\$ -	\$ 7,076,664
Taxes Levied for Debt Service				228,654		228,654
Categorical Aid and Other State Aid not Restricted				395,866		395,866
Investment Earnings				1,027	110	1,137
Miscellaneous Income				28,332		28,332
Transfers				(20,248)	20,248	
Prior Year Receivable Adjustment					(8,999)	(8,999)
Adjustment to Fixed Assets				(3,095,231)		(3,095,231)
Total General Revenues and Transfers				4,615,064	11,359	4,626,423
Change in Net Position				(3,426,279)	24,955	(3,401,324)
Net Position—Beginning (As Restated)				4,357,654	66,487	4,424,141
Net Position—Ending				\$ 931,375	\$ 91,442	\$ 1,022,817

The accompanying Notes to Financial Statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

The Individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund.

GOVERNMENTAL FUNDS

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	<u>General</u>	<u>Special</u>	<u>Capital</u>	<u>Total</u>
	<u>Fund</u>	<u>Revenue</u>	<u>Projects</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>
ASSETS				
Cash and Cash Equivalents	\$ 469,790	\$ 396,680	\$ 276,234	\$ 1,142,704
Cash With Fiscal Agent			74,195	74,195
Interfund Receivable	644,098			644,098
Due from Bank	31,589			31,589
Receivables from Local Governments	49,059			49,059
Receivables from State Government	66,641			66,641
Receivables from Federal Government		86,782		86,782
Other Receivable	58,956			58,956
Total Assets	\$ 1,320,133	\$ 483,462	\$ 350,429	\$ 2,154,024
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 26,414	\$ 45,360	\$	\$ 71,774
Interfund Payable	2,341	428,983	208,922	640,246
Payable to State Government	16,097			16,097
Unearned Revenue		9,119		9,119
Total Liabilities	44,852	483,462	208,922	737,236
Fund Balances:				
Restricted For:				
Capital Reserve	929,733			929,733
Capital Project			67,312	67,312
Escrow Funds	75,000		74,195	149,195
Assigned To:				
Designated for Subsequent Year's Expenditures	89,520			89,520
Year-End Encumbrances	110,000			110,000
Unassigned, Reported in:				
General Fund	71,028			71,028
Total Fund Balances	1,275,281		141,507	1,416,788
Total Liabilities and Fund Balances	\$ 1,320,133	\$ 483,462	\$ 350,429	

Amounts reported for *governmental activities* in the statement of Net Position (A-1) are different because:

Long-Term Liabilities, including bonds payable, capital Lease payments and compensated absence obligations, are not due and payable in the current period and therefore, are not reported as liabilities in the fund statements. (1,684,979)

Long Term Net Pension Liability (895,432)
 Deferred Pension Outflows 184,247
 Deferred Pension Inflows (53,363)

Accrued Interest is not due and payable in the current period and are therefore not reported as liabilities in the fund statements. (6,995)

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$2,607,618 and the accumulated depreciation is \$636,509 Note 4. 1,971,109

Net Position of Governmental Activities \$ 931,375

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Tax Levy - Local Share	\$ 530,162				\$ 530,162
Local Tax Levy - State Share	6,546,502			228,654	6,775,156
State Categorical Aid	395,866				395,866
Revenue from Other Sources	29,359				29,359
Other State Sources	610,433				610,433
Federal Sources		449,170			449,170
Total Revenues	8,112,322	449,170		228,654	8,790,146
EXPENDITURES					
Instruction	3,636,894	176,431			3,813,325
Administration	823,063				823,063
Support Services	3,869,260	272,739			4,141,999
Capital Outlay	58,901		15,805		74,706
Debt Service Principal				228,654	228,654
Total Expenditures	8,388,118	449,170	15,805	228,654	9,081,747
Excess (Deficiency) of Revenues over Expenditures	(275,796)		(15,805)		(291,601)
Other Financing Sources (Uses):					
Transfers to Food Service	(20,248)				(20,248)
Total Other Financing Sources (Uses)	(20,248)				(20,248)
Net Change in Fund Balances	(296,044)		(15,805)		(311,849)
Fund Balance—July 1	1,571,325		157,312		1,728,637
Fund Balance—June 30	\$ 1,275,281	\$	\$ 141,507	\$	\$ 1,416,788

The accompanying Notes to Financial Statements are an integral part of this statement.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

Total net change in fund balances - governmental funds (from B-2) \$ (311,849)

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

In the statement of activities, certain operating expenses, including compensated absences, are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid).

Accrued Interest 1,420

Pension Contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period. (20,619)

Repayment of bond principle is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of Net Position and is not reported in the statement of activities. 228,654

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation expense \$ (303,360)
Capital outlays 74,706
Adjustment to Fixed Assets (3,095,231)

(3,323,885)

Change in Net Position of governmental activities (A-2) (3,426,279)

PROPRIETARY FUNDS

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

	<u>Business-type Activities -</u> <u>Enterprise Funds</u>	
	<u>Food</u> <u>Service</u>	<u>Totals</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 134,638	\$ 134,638
Accounts Receivable	32,433	32,433
Interfund Receivable	2,341	2,341
Total Current Assets	<u>169,412</u>	<u>169,412</u>
Fixed Assets:		
Equipment		
Accumulated Depreciation		
Total Fixed Assets		
Total Assets	<u>\$ 169,412</u>	<u>\$ 169,412</u>
LIABILITIES		
Current Liabilities:		
Intergovernmental Payable	\$ 77,970	\$ 77,970
Total Current Liabilities	<u>77,970</u>	<u>77,970</u>
NET POSITION		
Unrestricted	<u>91,442</u>	<u>91,442</u>
Total Net Position	<u>\$ 91,442</u>	<u>\$ 91,442</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Business-type Activities	
	Enterprise Fund	
	Food Service	Total Enterprise
Operating Revenues:		
Charges for Services:		
Daily Sales - Reimbursable Programs	\$ 11,580	\$ 11,580
Total Operating Revenue	<u>11,580</u>	<u>11,580</u>
Operating Expenses:		
Cost of Sales	217,048	217,048
Other Costs	321	321
Total Operating Expenses	<u>217,369</u>	<u>217,369</u>
Operating Income (Loss)	<u>(205,789)</u>	<u>(205,789)</u>
Non-operating Revenues (Expenses):		
State Sources:		
State School Lunch Program	3,074	3,074
Federal Sources:		
National School Breakfast Program	35,257	35,257
National School Lunch Program	164,950	164,950
National School Snack Program	16,104	16,104
Interest	110	110
Total Non-operating Revenues (Expenses)	<u>219,495</u>	<u>219,495</u>
Income (Loss) before Contributions & Transfers	13,706	13,706
Transfers from General Fund	20,248	20,248
Prior Year Receivable Adjustment	(8,999)	(8,999)
Change in Net Position	<u>24,955</u>	<u>24,955</u>
Total Net Position—Beginning	<u>66,487</u>	<u>66,487</u>
Total Net Position—Ending	<u>\$ 91,442</u>	<u>\$ 91,442</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Business-type Activities Enterprise Funds	
	Food Service	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 11,717	\$ 11,717
Payments to Suppliers	(220,818)	(220,818)
Net Cash Provided by (used for) Operating Activities	(209,101)	(209,101)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	17,907	17,907
Federal Sources	220,174	220,174
Net Cash Provided by (used for) Non-capital Financing Activities	238,081	238,081
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Contributed Capital - New Facility		
Net Cash Provided by (used for) Capital and Related Financing Activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and Dividends	110	110
Net Cash Provided by (used for) Investing Activities	110	110
Net Increase (Decrease) in Cash and Cash Equivalents	29,090	29,090
Balances—Beginning of Year	105,548	105,548
Balances—End of Year	\$ 134,638	\$ 134,638
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating Income (Loss)	\$ (205,789)	\$ (205,789)
Adjustments to reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities		
Decrease/(Increase) in Accounts Receivable	137	137
Decrease/(Increase) in Intergovernmental Accounts Receivable	(3,449)	(3,449)
(Decrease)/Increase in Intergovernmental Accounts Payable	(3,312)	(3,312)
Total Adjustments	(3,312)	(3,312)
Net Cash Provided by (used for) Operating Activities	\$ (209,101)	\$ (209,101)

Noncash Noncapital Financing Activities:

During the year, the district received zero dollars of food commodities from the U. S. Department of Agriculture

The accompanying Notes to Financial Statements are an integral part of this statement.

FIDUCIARY FUNDS

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2015

	<u>Unemployment Compensation Trust</u>	<u>Agency Fund</u>
ASSETS		
Cash and Cash Equivalents	\$ 43,990	\$ 24,722
Due from Payroll Agency	2,568	
	<hr/>	<hr/>
Total Assets	46,558	24,722
	<hr/>	<hr/>
LIABILITIES		
Accounts Payable	26	
Due to Student Groups		21,621
Payroll Deductions and Withholding		463
Due to Unemployment Trust		2,568
Due to General Fund	6,123	70
	<hr/>	<hr/>
Total Liabilities	6,149	\$ 24,722
	<hr/>	<hr/>
NET POSITION		
Held in Trust for Unemployment Claims and Other Purposes	\$ 40,409	
	<hr/>	

The accompanying Notes to Financial Statements are an integral part of this statement.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Unemployment Compensation Trust</u>
ADDITIONS	
Contributions:	
Interest	\$ 43
Deposits	14,023
Total Additions	<u>14,066</u>
DEDUCTIONS	
Unemployment Claims	7,279
Total Deductions	<u>7,279</u>
Change in Net Position	6,787
Net Position—Beginning of the Year	<u>33,622</u>
Net Position—End of the Year	<u>\$ 40,409</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1. DESCRIPTION OF THE SCHOOL CHARTER SCHOOL AND REPORTING ENTITY

The Camden Academy Charter High School, Inc is located in the County of Camden, State of New Jersey and was incorporated on August 31, 2001 and began its first year of education operations in September of 2001. It was created through the approval of its New Jersey Charter Schools Application by the State of New Jersey, Department of Education. As a Charter School, the Camden Academy Charter High School, Inc. functions independently as an educational institution through a Board of Trustees (the "Board"). In accordance with the by laws of the Charter School, the Board is to consist of not less than 3 and not more than 14 individuals. At all times, constituency of the voting members of the Board of Trustees shall consist of 2 members nominated and elected by the Board selected from the Parent Council and two members nominated and elected by the Board of Trustees representing community leaders at large (which may include representatives from the Neighborhood Center, Inc.) The school administrator and a teacher elected by the teachers from the school are ex-officio members of the Board of Trustees without vote, and limited to the number of terms they may serve consecutively.

A. Reporting Entity:

The purpose of the Charter School during the 2001-02 school year was to educate 9th grade students. The 10th grade was added in 2002-03. Grade 11 was added in 2003-04 and grade 12 was added in 2004-05. The enrollment at June 30, 2015 was 464, which is 31 students more than in 2013-14. A school business administrator and a board secretary were appointed by the Board and are responsible for the administrative control of the Charter School.

The primary criterion for including activities within the Charter School's reporting entity, as set forth in Section 2100 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the Charter School holds the corporate powers of the organization
- the Charter School appoints a voting majority of the organization's board
- the Charter School is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Charter School
- there is a fiscal dependency by the organization on the Charter School

There were no additional entities required to be included in the reporting entity, under the criteria as described above, in the current fiscal year. Furthermore, the Charter School is not includable in any other reporting entity on the basis of such criteria.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Camden Academy Charter High School, Inc. have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Charter School's accounting policies are described below.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In June 1999, the Governmental Accounting Standards Board (GASB), unanimously approved Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. This Statement provides for the most significant change in financial reporting over twenty years and is scheduled for a phase-in implementation period (based on amount of revenues) starting with fiscal years ending 2002 (for larger governments). In addition, the school district has implemented GASB Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus*, Statement No. 38, *Certain Financial Statement Note Disclosures* and GASB No. 54 *Fund Balance Reporting and Governmental Fund Type Descriptions*.

A. New Accounting Standards:

The Charter School has adopted the following GASB statements:

- GASB 67, *Financial Reporting for Pension Plans, an Amendment of GASB 25*, will be effective beginning with the year ending June 30, 2014. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision- useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This statement replaces the requirements of Statement No. 25, *Financial reporting for Deferred Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and No.50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. The District does not expect this Statement to impact its financial statements.
- GASB 68, *Accounting and Financial reporting for Pensions*, will be effective beginning with the year ending June 30, 2014. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions hat is provided by other state entities. This Statement replaces the requirements of Statement No.27, *Accounting for Pension Disclosures, and Local Governmental Employers*, as well as the requirements of Statement No.50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The adoption of GASB 68, will impact the financial statements of the Charter School.
- In November 2013, the GASB issued Statement 71, *Pension Transition for Contributions made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. GASBS 71 is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The requirements of this Statement will eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement 68 in the accrual-basis financial statements of employers and nonemployer contributing entities. This Statement is effective for fiscal years beginning after June 15, 2014. The adoption of GASB 71, will impact the financial statements of the Charter School.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB 69, Government Combinations and disposals of Government Operations, is effective for periods beginning after December 15, 2013. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. The District is currently evaluating the impact of the adoption of this Statement on the Charter School's financial statements, although no impact is expected.

B. Basis of Presentation:

The Charter School basic financial statements consist of Charter School-wide statements, including a statement of Net Position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Charter School-wide Statements: The statement of Net Position and the statements of activities display information about the financial activities of the overall Charter School, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the Charter School. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of Net Position presents the financial condition of the governmental and business-type activities of the Charter School at the fiscal year end while the statement of activities presents a comparison between direct expenses and program revenues for each different business-type activity of the Charter School and for each function of the Charter School's governmental activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses—expenses of the Charter School related to the administration and support of the Charter School's programs, such as personnel and accounting—are not allocated to programs.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state formula aid, are presented as general revenues.

Fund Financial Statements: During the fiscal year, the Charter School segregates transactions related to certain Charter School functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the Charter School's funds, including its fiduciary funds. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* – are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey Charter Schools to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among Charter School financial reporting.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Fund Accounting:

The accounts of the Charter School are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds in accordance with activities or objectives specified for the resources. The operations for each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. The various funds are grouped, in the financial statements in this report:

GOVERNMENTAL FUND TYPE

General Fund - The general fund is the general operating fund of the School and is used to account for all expendable financial resources except those required to be accounted for in another fund. Included are certain expenditures for instructional and non-instructional equipment which are classified in the Capital Outlay subfund.

As required by the New Jersey State Department of Education, the Camden Academy Charter High School, Inc. includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmentalities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from the "local levy" local share charter school aid, "local levy" state share - charter school aid, categorical aid, revenues from other sources and appropriated fund balance. Expenditures are those in excess of \$2,000, which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by Board resolution.

Special Revenue Fund - The Charter School accounts for the proceeds of specific revenue sources from the state and federal government (other than expendable trusts, major capital projects or enterprise funds) and local appropriations that is legally restricted to expenditures for specified purposes in the special revenue fund.

Capital Projects Fund - The Charter School currently has one capital construction project from the 2011-12 school year, and, therefore, the accounting system of the Charter School utilized a capital projects fund.

Debt Service Fund - The accounting system of the Charter School includes a debt service fund in accordance with state statute.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Fund Accounting (Continued):

PROPRIETARY FUND TYPE

The focus of Proprietary Fund measurement is on determination of net income, financial position and cash flows. The applicable generally accepted accounting principles are similar to businesses in the private sector. The following is a description of the Proprietary Funds of the Charter School:

Enterprise (Food Service) Funds - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the School is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the School has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The School's Enterprise Fund is comprised of a Food Service Fund managed by an outside food service management company. For expediency, the financial records are maintained within the food service fund of the Camden's Promise Charter School. Federal and state subsidy reimbursements as well as a food service operating costs were allocated on a pro-rata basis. Inventory and commodity amounts were considered as owned by the Camden's Promise Charter School.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is separated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Internal Service Fund - The Camden Academy Charter High School does not maintain an Internal Service whereby services would be provided on a cost-reimbursement basis.

FIDUCIARY FUND TYPE

Fiduciary Funds include Expendable Trust, Nonexpendable Trust and Agency Funds. The measurement focus of the Expendable Trust Funds is the same as for governmental funds. The measurement focus of the Nonexpendable Trust Funds is similar to Proprietary Funds. Agency Funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations. The following is a description of the Fiduciary Funds of the Charter School:

Trust and Agency Funds - The trust and agency funds are used to account for assets held by the Charter School in a Trustee capacity or as an agent for individuals, private organizations, other governments or other funds.

Nonexpendable Trust Fund - A nonexpendable trust fund is used to account for assets held under the terms of a formal trust agreement, whereby the Charter School is under obligation to maintain the trust principal. The accounting system of the Charter School does not include a nonexpendable trust fund.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FIDUCIARY FUND TYPE (CONTINUED)

Expendable Trust Fund - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. The Expendable Trust Funds consists of an Unemployment Compensation Insurance Fund

Agency Funds (Payroll, Health Benefits and Student Activities Fund) - Agency funds are used to account for the assets that the Charter School holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. The accounting system of the Charter School includes a payroll fund and a student activities fund.

D. Basis of Accounting and Measurement Focus:

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

Charter School-wide, Proprietary and Fiduciary Fund Financial Statements: The Charter School-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under the New Jersey State Statute a municipality is required to remit to its school Charter School the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The Charter School records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available.

The Charter School is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

In its accounting and financial reporting, the Charter School follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The Charter School's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting and Measurement Focus (Continued):

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

E. Budgets/Budgetary Control:

Charter School budgets are prepared annually and are submitted to the Department of Education for review. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are mandated by the Department of Education and are detailed in the Charter School Budget Summary form that is part of the New Jersey Charter School Application and are defined as the lowest (most specific) level of detail referenced in NJAC 6:20-2A (m) 1. Transfers of appropriations may be made by Board resolution at any time during the fiscal year.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are to be maintained to allow for the presentation of GAAP basis financial reports.

Exhibit C-3 presents a reconciliation of the general and special revenue funds from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types.

F. Encumbrance Accounting:

Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services. The budget, as detailed on Exhibit C-1, includes all amendments to the adopted budget, if any. Open encumbrances in the special revenue fund for which the Charter School has received advances (if any) are reflected in the balance sheet as unearned revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Tuition:

The Charter School Program Act of 1995 specifically prohibits a charter school from charging tuition to students who reside in the district of the charter school or are non-resident students.

H. Assets, Liabilities and Equity:

Transactions - Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the Charter School and that are due within one year.

Inventories - On Charter School-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method and is expensed when used. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2015. Inventory in the Food Service Fund at June 30, 2014 and 2015, including commodities, were considered owned by the Camden's Promise Charter School. Therefore, ending inventory is not recorded in the food service fund of the Camden Academy Charter High School, Inc.

Capital Assets - General fixed assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The general fixed assets acquired or constructed prior to June 30, 2006 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. General fixed assets are reflected as expenditures in the applicable governmental funds, and the related assets are reported in the Statement of Net Position. Expenditures that enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the fixed asset's currently capitalized cost. The cost of normal repairs and maintenance are not capitalized.

Capital assets are depreciated in the Charter School-wide financial statements using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Building	30-50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office and Computer Equipment	5-10
Instructional Equipment	10
Grounds Equipment	15

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Compensated Absences:

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Charter School and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Charter School and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the Statement of Net Position. In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

J. Unearned revenue:

Unearned revenue in the special revenue fund represents cash, which has been received but not yet earned (see Note 2(C) regarding the special revenue fund).

K. Fund Equity:

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

L. Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the Charter School, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

M. Charter School Funding:

The Charter School is largely funded on its enrollment through the local levy and categorical aid, which follows a particular student. Funding flows from the State to the district board of education and then to the Charter school. In accordance with N.J.S.A. 18A:36A-12 "the school district of residence shall pay directly to the Charter School for each student enrolled in the charter school who resides in the district a presumptive amount equal to 90% of the local tax levy budget per pupil for the specific grade level in the district. At the discretion of the commissioner and at the time the charter is granted, the commissioner may require the school district of residence to pay directly to the charter school for each student enrolled in the charter school an amount equal to less than 90%, or an amount, which shall not exceed 100% of the local levy budget per pupil for the specific grade in the district of residence. The per pupil amount paid to the charter school shall not exceed the local levy budget per pupil for the specific grade level in the district in which the charter school is located. The district of residence shall also pay directly to the charter school any categorical aid attributable to the student, provided the student is receiving appropriate categorical services, and any federal funds attributable to the student".

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Charter School Funding (Continued):

During the school year, a charter school shall conduct an enrollment count on October 15th and the last day of the school year. A charter school shall submit each count through a summary school register for the purposes of determining average daily enrollment. Based on these counts, a charter school's revenue is adjusted accordingly.

N. Net Position:

Net Position represents the difference between assets and liabilities. Net Position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net Position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Charter School or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Charter School's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted Net Position is available.

O. Revenues – Exchange and Non-exchange Transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Charter School, available means within sixty days of the fiscal year end. Non-exchange transactions, in which the Charter School receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned.

Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or for the fiscal year when use is first permitted; matching requirements, in which the Charter School must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Charter School on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year end: property taxes available as an advance, interest, and tuition.

P. Comparative Data/Reclassifications:

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the Charter School's financial position and operations. Also, certain immaterial amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Allocation of Indirect Expenses:

The Charter School reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

R. Extraordinary and Special Items:

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

S. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund are recorded as an expenditure during the year of purchase.

On Charter School-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2015.

T. Short -Term Interfund Receivables/Payables:

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the Charter School and that are due within one year.

U. Management Estimates:

In order for the preparation of basic financial statements to be in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

V. Accrued Liabilities and Long-term Obligations:

All payables, accrued liabilities, and long-term obligations are reported on the School-wide financial statements. Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the Statement of Net Position.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

W. Fund Balance Reserves:

The Charter School reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances.

X. Bond and Lease Acquisition Costs:

As part of any long-term bond or lease agreement providing for the use of school buildings, payments constituting professional lease acquisition and other related professional fees will be expensed when incurred in accordance with GASB Statement No. 65. and accordingly, the beginning balance in the Statement of Activities was restated in the prior year to eliminate the prior balance in unamortized debt issue costs.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with a maturity of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey Schools are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey Schools. Investments are stated at cost, or amortized cost, which approximates market.

The amortized cost method involves valuing a security at its cost on the date of purchase and thereafter assuming a constant amortization to maturity for any discount or premium. The Board classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

Deposits:

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey, which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund. New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Deposits (Continued):

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments:

New Jersey statutes permit the Board to purchase the following types of securities:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives, which have a maturity date no greater than twelve months from the date of purchase.
- c. Bonds or other obligations of the school.

As of June 30, 2015, cash and cash equivalents in the fund financial statements of the Charter School consisted of the following:

		Cash and Cash Equivalents
Checking Accounts	\$	1,346,054
Cash with Fiscal Agent		74,195
	\$	1,420,249

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Charter School's deposits may not be recovered. Although the Charter School does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 t seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local government agencies. The program is administered by the Commissioner of the NJ Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Funds owned by the Charter School in excess of FDIC insured amounts are protected by GUDPA. As of June 30, 2015, the Charter School's bank balance of \$1,595,288 was exposed to custodial credit risk as follows:

Insured	\$	250,000
Uninsured and collateralized with securities held by pledging financial institutions		1,345,288
	\$	1,595,288

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

New Jersey Cash Management Fund – The New Jersey Cash Management Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At June 30, 2015, the Charter School had no funds on deposit with the New Jersey Cash Management Fund.

NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Adjustments/ Retirements</u>	<u>Ending Balance</u>
Governmental activities:				
Capital Assets that are not being Depreciated:				
Land	\$ 419,081	\$	\$ (419,081)	\$
Total Capital Assets not being Depreciated	419,081		(419,081)	
Leasehold Improvement	1,057,003	15,805	808,077	1,880,885
Machinery and Equipment	442,555	58,901	(50,000)	451,456
Vehicle	364,502		(89,225)	275,277
Building	4,106,261		(4,106,261)	
Total at Historical Cost	5,970,321	74,706	(3,437,409)	2,607,618
Less Accumulated Depreciation for:				
Leasehold Improvement	(190,243)	(120,300)	25,963	(284,580)
Machinery and Equipment	(151,930)	(78,570)	40,832	(189,668)
Vehicle	(129,990)	(32,271)		(162,261)
Building	(620,825)	(73,639)	694,464	
Total Accumulated Depreciation	(1,092,988)	(304,780)	761,259	(636,509)
Total Capital Assets being Depreciated, Net of Accumulated Depreciation	4,877,333	(230,074)	(2,676,150)	1,971,109
Governmental Activities Capital Assets, Net	\$ 5,296,414	\$ (230,074)	\$ (3,095,231)	\$ 1,971,109
				To A-1
Business-type Activities Capital Assets, Net	\$	\$	\$	\$

Depreciation expense was charged to governmental functions as follows:

Unallocated	\$ 304,780
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CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 5. COMPENSATED ABSENCES

In accordance with Statement No. 16 of the (GASB) entitled "Accounting for Compensated Absences", Benefits paid in any future period will be calculated in accordance with formulas outlined in the Charter School agreements with any collective bargaining units and included in the budget of the current year of payment. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the District's agreement with the various employee contracts.

There currently is no formal policy concerning payment of accumulated absences. No liability existed for compensated absences in the governmental fund types or the Food Service Fund, at June 30, 2015. There are no employees paid out of the Food Service Fund, as employees are provided and paid by an outside management company, Sodexo Food Management, Inc. Where compensated absences exist, in the District Wide-Statement of Net Position, the liabilities whose average maturities are greater than one year should be reported in two components-the amount due within one year and the amount due in more than one year. The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees.

NOTE 6. LONG-TERM DEBT

	Beginning			Ending	Amounts	
	Balance	Additions	Reductions	Balance	Due within	Long-term
					One Year	Portion
Governmental Activities:						
Bonds Payable:						
General Obligation Deb	\$1,913,633		\$ 228,654	\$1,684,979	\$ 240,878	\$1,444,101
Total Bonds Payable	1,913,633		228,654	1,684,979	240,878	1,444,101
Other Liabilities:						
Compensated Absences Payable						
Total Other Liabilities	\$1,913,633		\$ 228,654	\$1,684,979	\$ 240,878	\$1,444,101
					To A-1	

A. Bonds Payable - Bonds are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds.

DEBT ADMINISTRATION - NJEDA SUBSIDIZED BONDS:

During the 2010-11 School Year, the Charter School purchased a building costing \$1,748,596, of which one portion of the building was rented out to Camden's Promise Charter School for \$500,000 and another area was leased to a Daycare Center, beginning in April 2010. In the 2011-12 school-year, part of the building was utilized for educational high school classroom space. The rental income from the Daycare Center was \$38,938 in 2013-2014 school-year.

On July 8, 2011, Camden Academy Charter High School issued bonds under an NJEDA interest subsidy program in the amount of \$2,467,080. These bonds are to be treated as Qualified School Construction Bonds in accordance with Section 54F of the Internal Revenue Code of 1986. Due to Federal budget shortfalls, a portion of the otherwise entitled subsidy will not be reimbursed.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 6. LONG-TERM DEBT (CONTINUED)

DEBT ADMINISTRATION - NJEDA SUBSIDIZED BONDS (CONTINUED):

Interest is payable at 5.24% interest up to July 1, 2016, at such time when the bonds become callable and at a variable rate for the remainder of the 120 month loan period. In accordance with Section 6431 of the Code, the Charter School, by way of the NJEDA, was to receive Credit/Subsidy payments equal to the lesser of rate specified by the US Treasury or the interest payable on the bonds, subject to sequester adjustment. Due to a federal budget shortfall, a portion of the subsidy has not been realized, in the amount of \$9,871.

These bond proceeds are to partially fund the construction of renovations to an existing building in the City of Camden, New Jersey, referred to as "The Charter School Network Building", owned by the Camden Academy Charter School, Inc., with Camden's Promise Charter School, Inc. and Camden's Pride Charter School, Inc. as guarantors. The remaining future payment schedule, subject to actual federal subsidy proceeds is as follows:

Fiscal Year	Principal	Interest	Federal Subsidy	Net Interest
2016	\$ 240,878	\$ 83,943	\$ 83,943	-
2017	254,216	70,605	70,605	-
2018	268,056	56,765	56,765	-
2019	282,649	42,172	42,172	-
2020	297,971	26,849	26,849	-
2021	314,258	10,562	10,562	-
2022	26,951	118	118	-
	\$ 1,684,979	\$ 291,014	\$ 291,014	-

NOTE 7. PENSION PLANS

Description of Plans - All required employees of the Charter School are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Charter School and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 7. PENSION PLANS (CONTINUED)

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at a fair value.

For the year ended June 30, 2015, the District recognized pension expense of \$112,172 and revenue of \$112,172 for support provided by the State. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Public Employees' Retirement System - The Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit plan which was established as of January 1, 1955. The PERS provides retirement, death, disability and medical benefits to certain qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2011, however, in accordance with Chapter 78, P.L. 2011, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2007, the increase is effective with the payroll period that begins immediately after July 1, 2007. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist. The School District is billed annually for its normal contribution plus any accrued liability.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For the year ended June 30, 2015, the District recognized pension expense of \$184,125. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<hr/>	<hr/>
Differences between expected and actual experience	\$	\$
Changes of assumptions	28,157	
Net difference between projected and actual earnings on pension plan investments		53,363
Changes in proportion and differences between District contributions and proportionate share of contributions	116,663	
District contributions subsequent to the measurement date	39,427	
Total	<hr/> \$ 184,247 <hr/>	<hr/> \$ 53,363 <hr/>

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 7. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

\$28,157 reported as deferred outflows of resources related to pensions resulting from charter school project contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Additional Information-Collective Balances at June 30, 2013 and 2014 are as follows:

	<u>6/30/2014</u>	<u>6/30/2013</u>
Collective deferred outflows of resources	\$ 1,032,618,058	\$
Collective deferred inflows of resources	1,726,631,532	
Collective net pension liability	14,665,837,859	15,190,834,283
District's Proportion	0.478259%	0.405996%

Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6 for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service, or under the disability provisions of the System. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Eligible retirees receiving monthly benefits are entitled to cost-of-living increases equal to 60% of the change in the average consumer price index for a 12 month period ending with each August 31st immediately preceding the year in which the adjustment becomes payable. The regular retirement allowance is multiplied by the 60% factor as developed and results in a dollar amount of the adjustment payable. Retired members become eligible for pension adjustment benefits (COLA) after 24 months of retirement.

Significant Legislation

P.L. 2011, c. 78, effective October 2011, set new employee contribution requirements towards the cost of employer provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to this legislation's effective date with a minimum contribution required to be at least 1.5 percent of salary.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 7. PENSION PLANS (CONTINUED)

Contribution Requirements - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost - of - living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the Charter School is a non-contributing employer of the TPAF.

Three-Year Trend Information for PERS

<u>Year</u> <u>Funding</u>		<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>			<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/15	\$	39,427	100	%	\$	39,427
6/30/14		34,064	100			34,064
6/30/13		20,901	100			20,901

Trend Information for TPAF (Paid on-behalf of the Charter School)

<u>Year</u> <u>Funding</u>		<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>			<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/15	\$	383,160	100	%	\$	0
6/30/14		240,045	100			0
6/30/13		346,776	100			0

During the fiscal year ended June 30, 2015, the State of New Jersey contributed \$148,082 to the TPAF for pension benefits and \$235,078 for post-retirement benefits on behalf of the Charter School. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Charter School \$227,273 during the year ended June 30, 2015 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund schedules as a revenue and expenditure in accordance with GASB 27. Legislation enacted during 1991 and 1993 provided early retirement incentives for certain members of TPAF and PERS who met certain age and service requirements and who applied for retirement between certain dates in the 1992 and 1994 fiscal years. The early retirement incentives included: (a) an additional five years of service credit for employees at least age 50 with a minimum of 25 years of service; (b) free health benefits for employees at least 60 years old with at least 20 years of service; (c) an additional \$500 per month for two years for employees at least age 60 with 10 but less than 20 years of service. The Charter School assumed the increased cost for the early retirement as it was affected.

NOTE 8. POST-RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 8. POST-RETIREMENT BENEFITS (CONTINUED)

As of June 30, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the state contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 c 62. Funding of post retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides employer paid benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The state paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

NOTE 9. DEFERRED COMPENSATION

The Board currently offers its employees the Equivest deferred compensation plan created in accordance with Internal Revenue Code Section 403(b).

NOTE 10. RISK MANAGEMENT

The Charter School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance - The Charter School maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

New Jersey Unemployment Compensation Insurance - The Charter School has elected to fund its New Jersey Unemployment Compensation Insurance under the Reserve method. Under this plan, the Charter School is required to contribute a percentage of wages to the New Jersey Unemployment Trust Fund on a quarterly basis. The following is a summary of Charter School contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Charter School's expendable trust fund for the current and prior year:

<u>Fiscal Year</u>	<u>Charter School Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance June 30,</u>
2014-2015	\$ 0	\$ 14,066	\$ 7,279	\$ 40,409
2013-2014	0	4,618	4,592	33,622
2012-2013	0	9,886	1,531	33,596

NOTE 11. CAPITAL RESERVE ACCOUNT

Capital reserve accounts may be established by New Jersey school districts for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. A capital reserve account is maintained in the general fund, with a balance of \$929,733, as of June 30, 2015.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 12. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2015:

Fund	Interfund Receivable	Interfund Payable
General	\$ 644,098	\$ 2,341
Special Revenue		428,983
Capital Projects		208,922
Trust and Agency		6,193
Food Service	2,341	
Total	<u>\$ 646,439</u>	<u>\$ 646,439</u>

NOTE 13. FUND BALANCE APPROPRIATED

General Fund - Of the \$1,275,281 in General Fund balance at June 30, 2015; \$ \$929,733 has been restricted in the capital reserve account \$75,000 is restricted for an Escrow Fund; \$110,000 has been assigned for Year-end Encumbrances: \$89,520 has been appropriated and included as anticipated revenue for the year ending June 30, 2016; and \$71,028 is unassigned and undesignated.

NOTE 14. LITIGATION

In the opinion of the administration and legal counsel, the Charter School is not involved as a defendant in any legal proceedings of which the potential losses, if any, would not be material to the financial statements. There exists, however, one claim, which is being handled by the Charter School's Insurance Company.

NOTE 15. ESCROW FUND

An Escrow Fund has been established, in the amount of \$75,000, as stipulated by the N.J. Department of Education.

NOTE 16. OPERATING LEASES

Prior to the transfer of buildings from Camden's Academy Charter High School and Camden's Promise Charter School to the Camden's Charter School Network, the following leases were in effect:

Lease of Original Building Space

The Camden Academy Charter High School had leased space in the original building maintained by the Camden's Promise Charter School, on a cost-per-pupil basis of \$1,530 for each of the 400 projected slots for its High School students enrolled. While the original lease cost for fiscal year 2014-15 was supposed to be \$612,000 payable in equal installments on December 14, February 15, April 15, and June 15, \$362,600 was payable through December 2014.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 16. OPERATING LEASES (CONTINUED)

Lease of Building Space - PAC Building

The Camden Academy Charter High School had been subletting space from the Camden's Promise Charter School, Inc, (Middle School) with payments beginning in the 2003-04 school year. The school construction was funded by the Camden County Improvement Authority (CCIA). The primary parties to the lease were the Camden's Promise Charter School (lessor) and the CCIA (lessee), which issued the bonds, partially guaranteed by the County of Camden. The lease payments made by Camden Academy Charter High School, Inc. were equal to one half of the amount the debt service payments made by the CCIA to the Bondholders. This lease was recast during May 2009, resulting from the defeasance of \$575,000, which was available as unspent escrow funds in the original CCIA funding. Camden's Academy Charter High School made payments of \$78,295 to Camden's Promise Charter School through December 2014.

Lease of Building Space - Rosedale Property

The Camden Academy Charter High School was leasing space in the Rosedale Property at an annual cost of \$225,000.

The following leases are currently in effect, as of the audit report date:

Lease of Building Space - Payable to Camden's Charter School Network

On February 6, 2015, Serial Bonds were issued by the CCIA on behalf of the Camden's Charter School Network, for the purpose of funding various capital projects, as well as to refund the balance of debt on buildings transferred from Camden's Academy Charter High School and Camden's Promise Charter School to the Camden's Charter School Network.

As part of the transfer of buildings and related balance of debt, three lease agreements between Camden's Academy Charter High School and Camden's Charter School Network went into effect, for the purpose of renting building space from the various properties now owned by Camden's Charter School Network.

As stipulated in the lease agreements, there is an automatic renewal provision after five years at the end of the 2019-20 School Year.

	<u>Building Location</u>
Lease #1	- 3098 Pleasant Avenue - 820 Lois Avenue
Lease # 2	- 250 Federal Street
Lease # 3	- 879 Beideman Avenue

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 16. OPERATING LEASES (CONTINUED)

The following represents the future minimum lease payments associated with leases outstanding, as of June 30, 2015, along with a description of the building location per lease:

	Building Lease #1	Building Lease #2	Building Lease #3	Copy Machines	Total
2015-16	\$ 728,717	\$ 200,850	\$ 180,250	\$ 23,470	\$ 1,133,287
2016-17	728,717	200,850	180,250	23,470	1,133,287
2017-18	728,717	200,850	180,250	23,470	1,133,287
2018-19	728,717	200,850	180,250	23,470	1,133,287
2019-20	728,717	200,850	180,250	7,823	1,117,640
2020-21	750,578	206,876	185,408		1,142,862
2021-22	750,578	206,876	185,408		1,142,862
2022-23	750,578	206,876	185,408		1,142,862
2023-24	750,578	206,876	185,408		1,142,862
2024-25	750,578	206,876	185,408		1,142,862
Total	<u>\$ 7,396,475</u>	<u>\$ 2,038,630</u>	<u>\$ 1,828,290</u>	<u>\$ 101,703</u>	<u>\$ 11,365,098</u>

NOTE 17. SUBSEQUENT EVENTS

There were no subsequent events affecting the District between June 30 2015 and the Audit Report Date.

NOTE 18: RETRO ACTIVE RESTATEMENT OF NET POSITION

Restatement of Prior Period

The District adopted GASB No. 68 - Accounting and Financial Reporting for Pensions - An amendment of GASB No. 27 during the 2015 fiscal year as required by the pronouncement. The pronouncement requires the district to record its proportional share of the State of New Jersey's net pension liability on the face of its financial statements as of June 30, 2015 and to record related pension expense in accordance with the pronouncement. In order to correctly reflect pension expense in accordance with GASB No. 68, the beginning Net Position of the district was adjusted to reflect the beginning balance of the net pension liability. Since the adjustments to Net Position relate to the beginning net pension liability measured as of June 30, 2013. Also, in accordance with GASB No. 71- Pension Transition for Contributions Made Subsequent to the Measurement Date, the district restated to its Net Position for pension contributions made after the beginning net pension liability measurement date of June 30, 2013 (deferred outflows).

Beginning net position as previously reported at June 30, 2014	\$5,103,003
Prior Period Adjustment - Implementation GASB 68:	
Net Pension Liability (measurement date)	(775,940)
Net Deferred Outflows	<u>30,591</u>
Net Position as restated, July 1, 2014	<u>\$4,357,654</u>

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

**CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Revenue/ Expenditures</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
REVENUES:					
Local Tax Levy- Local Share - Charter School Aid:					
City of Camden	\$ 545,911	\$	\$ 545,911	\$ 205,304	\$ (340,607)
City Of Woodbury				5,646	5,646
Eastern Camden County Regional				15,318	15,318
Borough of Lawnside				28,151	28,151
Borough of Merchantville				16,065	16,065
Township of Pennsauken				199,752	199,752
Evesham Township				14,605	14,605
Borough of Woodlynne				3,053	3,053
Cherry Hill Township				16,331	16,331
Haddon Township				12,675	12,675
Winslow Township				13,262	13,262
Total - Local Share Tax Levy	545,911		545,911	530,162	(15,749)
Local Tax Levy- State Share - Charter School Aid:					
Equalization Aid	6,571,422		6,571,422	6,546,502	(24,920)
Total - Local Levy Budget	7,117,333		7,117,333	7,076,664	(40,669)
Categorical Aids:					
Special Education Aid	204,393		204,393	204,393	
Security Aid	193,060		193,060	191,473	(1,587)
Non Public Aid					
Total Categorical Aids	397,453		397,453	395,866	(1,587)
Other State Aid					
On-behalf TPAF Pension Contributions (Non-budgeted)				148,082	148,082
On-behalf TPAF Post Retirement Medical Insurance (Non-budgeted)				235,078	235,078
Reimbursed TPAF Social Security Contributions (Non-budgeted)				227,273	227,273
Total - Other State Aid				610,433	610,433
Total State Aid	397,453		397,453	1,006,299	608,846
Revenue from Other Sources					
Interest on Investments	38,938		38,938	1,027	(37,911)
Rent				27,348	27,348
Miscellaneous - Other				984	984
Total Revenue from Other Sources	38,938		38,938	29,359	(9,579)
TOTAL REVENUES	\$ 7,553,724	\$	\$ 7,553,724	\$ 8,112,322	\$ 558,598
EXPENDITURES:					
CURRENT EXPENSES:					
Instruction:					
Salaries of Teachers - Grades 9-12	\$ 2,751,600	\$ 237,915	\$ 2,989,515	\$ 2,989,515	\$
Purchased Professional/Educational Services	290,000	(20,674)	269,326	269,326	
General Supplies	220,000	71,862	291,862	291,862	
Textbooks	82,000	4,002	86,002	86,002	
Other Objects	3,000	(2,811)	189	189	
Total Instructional Expenses	3,346,600	290,294	3,636,894	3,636,894	
Administration:					
Salaries - Administration	348,000	256,864	604,864	604,864	
Salaries - Secretarial/Clerical	157,000	(157,000)			
Health Benefits	1,020,014	(1,020,014)			
Purchased Professional and Technical Services	125,000	(125,000)			
Other Purchased Professional Services		158,300	158,300	158,300	
Communications/Telephone	25,000	(24,998)	2		2
General Supplies	65,000	7,723	72,723	54,816	17,907
Miscellaneous Expenditures	7,000	(1,917)	5,083	5,083	
Total Administrative Expenses	1,747,014	(906,042)	840,972	823,063	17,909

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original</u> <u>Budget</u>	<u>Budget</u> <u>Transfers</u>	<u>Final</u> <u>Budget</u>	<u>Expenditures</u>	<u>Variance</u> <u>Final to Actual</u> <u>Favorable/</u> <u>(Unfavorable)</u>
EXPENDITURES: (Continued)					
CURRENT EXPENSES: (Continued)					
Support Services - School Administration					
Salaries of Other Professional Staff	\$ 533,100	\$ (28,793)	\$ 504,307	\$ 504,307	
Purchased Professional and Technical Services	150,000	11,224	161,224	161,224	
Other Purchased Services	95,000	(55,431)	39,569	39,173	396
Rental of Land and Buildings	1,416,094	(52,175)	1,363,919	1,274,748	89,171
Insurance for Property, Liability and Fidelity	86,705	(100)	86,605	86,605	
Supplies & Materials	25,000	48,863	73,863	73,863	
Contracted Services (Home/School) - Vendors	30,000	(3,789)	26,211	26,211	
Contracted Services (not Home/School) - Vendors	5,000	3,907	8,907	8,907	
Energy Costs	130,000	(31,719)	98,281	98,281	
Miscellaneous Expenditures	6,500		6,500	6,500	
Other Retirement Contributions - PERS		39,755	39,755	39,755	
Health Benefits		939,253	939,253	939,253	
Total Support Services/School Administration:	2,477,399	870,995	3,348,394	3,258,827	89,567
On-behalf TPAF Pension Contributions (Non-budgeted)				148,082	(148,082)
On-behalf TPAF Post Retirement Medical Insurance (Non-budgeted)				235,078	(235,078)
Reimbursed TPAF Social Security Contrib. (Non-budgeted)				227,273	(227,273)
TOTAL EXPENDITURES - CURRENT EXPENSE	7,571,013	255,247	7,826,260	8,329,217	(502,957)
Capital Outlay					
Facilities Acquisition and Construction Services:					
Buildings Other than Lease Purchase Agreements	171,675		171,675	58,901	112,774
Total Capital Outlay	171,675		171,675	58,901	112,774
TOTAL EXPENDITURES	7,742,688	255,247	7,997,935	8,388,118	(390,183)
Excess (Deficiency) of Revenues Over (Under)					
Expenditures	(188,964)	(255,247)	(444,211)	(275,796)	168,415
Other Financing Sources (Uses):					
Operating Transfer (Out) and In:					
Transfer to Food Service				(20,248)	(20,248)
Total other Financing Sources				(20,248)	(20,248)
Sources Over (Under) Expenditures and Other Financing Uses	(188,964)	(255,247)	(444,211)	(296,044)	148,167
Fund Balances, July 1	1,571,325		1,571,325	1,571,325	
Fund Balances, June 30	\$ 1,382,361	\$ (255,247)	\$ 1,127,114	\$ 1,275,281	\$ 148,167
RECAPITULATION :					
Restricted Fund Balance:					
Capital Reserve			\$ 929,733		
Escrow Fund			75,000		
Assigned to:					
Year-end Encumbrances			110,000		
Designated for Subsequent Year's Expenditures			89,520		
Unassigned Fund Balance:			71,028		
TOTAL			\$ 1,275,281		

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
AS OF JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
State Sources					
Federal Sources	\$ 431,218	\$ 38,997	\$ 470,215	\$ 448,868	\$ (21,347)
Total Revenues	<u>431,218</u>	<u>38,997</u>	<u>470,215</u>	<u>448,868</u>	<u>(21,347)</u>
EXPENDITURES:					
Instruction					
Salaries of Teachers	105,600	29,000	134,600	133,660	940
Supplies and Materials	38,429	4,079	42,508	42,469	39
Total Instruction	<u>144,029</u>	<u>33,079</u>	<u>177,108</u>	<u>176,129</u>	<u>979</u>
Support Services					
Salaries	115,400		115,400	115,400	
Personal Services-Employee Benefits	55,698	2,218	57,916	45,662	12,254
Purchased Professional & Technical Services - Other	114,127	3,700	117,827	111,677	6,150
Other Purchased Services	1,964		1,964		1,964
Total Support Services	<u>287,189</u>	<u>5,918</u>	<u>293,107</u>	<u>272,739</u>	<u>20,368</u>
Facilities Acquisition and Construction Services:					
Equipment					
Total Facilities Acquisition and Construction Services					
Total Expenditures	<u>431,218</u>	<u>38,997</u>	<u>470,215</u>	<u>448,868</u>	<u>21,347</u>
Other Financing Sources (Uses)					
Total Outflows	<u>431,218</u>	<u>38,997</u>	<u>470,215</u>	<u>448,868</u>	<u>21,347</u>
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
REQUIRED SUPPLEMENTARY INFORMATION
BUDGET-TO-GAAP RECONCILIATION
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

	<u>General Fund</u>		<u>Special Revenue Fund</u>
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$ 8,112,322		[C-2] \$ 448,868
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			302
State aid payment recognized for budgetary purposes, not recognized for GAAP statements			
 Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	 [B-2] \$ 8,112,322		 [B-2] \$ 449,170
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 8,388,118		[C-2] \$ 448,868
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.			302
 Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes. Net transfers (outflows) to general fund			
 Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	 [B-2] \$ 8,388,118		 [B-2] \$ 449,170

REQUIRED SUPPLEMENTARY INFORMATION
PART III

SCHEDULE L-1

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
Schedules of Required Supplementary Information Part III

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY

Public Employee's Retirement System

	<u>2014</u>
District's Proportion of the Net Pension Liability(Asset)	0.004782%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 895,432
District's Covered-Employee Payroll	\$ 394,870
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its covered-employee payroll	226.77%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%

Note: The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

SCHEDULE L-2

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.

Schedules of Required Supplementary Information Part III

SCHEDULE OF THE DISTRICT CONTRIBUTIONS

Public Employee's Retirement System (PERS)

	<u>2014</u>
Contractually Required Contribution	\$ 39,427
Contributions in Relation to the Contractually Required Contribution	(39,427)
Contribution Deficiency (Excess)	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 394,840
Contributions as a Percentage of Covered-Employee Payroll	9.99%

SCHEDULE L-3

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
Schedules of Required Supplementary Information Part III

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY

Teachers Pension Plan

	<u>2014</u>
District's Proportion of the Net Pension Liability(Asset)	0.0264065%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 372,687
District's Covered-Employee Payroll	\$ 2,987,521
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage Percentage of its covered-employee	12.47%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%

Note: The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
PART III

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PART III
Pension Schedules**

For the Fiscal Year Ended June 30, 2015

Teachers' Pension and Annuity Fund (TPAF)

Changes of benefit terms. The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Change of assumptions. Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

Public Employees' Retirement System (PERS)

Changes of benefit terms. The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

Change of assumptions. Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 Based on Projection Scale AA.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2014)

	NCLB			Totals	
	Title I -Part A	Title II	I.D.E.A.		
	2014-15	Part A	B-Basic	2015	2014
REVENUES:					
Federal Sources	\$ 337,191	\$ 14,699	\$ 96,978	\$ 448,868	\$ 480,802
Total Revenues	<u>\$ 337,191</u>	<u>\$ 14,699</u>	<u>\$ 96,978</u>	<u>\$ 448,868</u>	<u>\$ 480,802</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 133,660	\$	\$	\$ 133,660	\$ 131,741
Supplies and Materials	42,469			42,469	74,595
Total Instruction	<u>176,129</u>			<u>176,129</u>	<u>206,336</u>
Support Services:					
Salaries	115,400			115,400	132,272
Personal Services-Employee Benefits	45,662			45,662	39,030
Purchased Prof. & Technical Services		14,699	96,978	111,677	102,892
Supplies and Materials					272
Total Support Services	<u>161,062</u>	<u>14,699</u>	<u>96,978</u>	<u>272,739</u>	<u>274,466</u>
Facilities Acquisitions & Const Serv:					
Total Facilities Acquisition & Construction Services					
Total Expenditures	<u>\$ 337,191</u>	<u>\$ 14,699</u>	<u>\$ 96,978</u>	<u>\$ 448,868</u>	<u>\$ 480,802</u>

CAPITAL PROJECTS FUND DETAIL STATEMENT

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

EXHIBIT F-1

CAMDEN'S ACADEMY CHARTER HIGH SCHOOL, INC.
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2015

<u>Project Title/Issue</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2015</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Improvements to Building	7/8/11	\$ 2,514,600	\$ 2,357,288	\$ 15,805	\$ 141,507
		<u>\$ 2,514,600</u>	<u>\$ 2,357,288</u>	<u>\$ 15,805</u>	<u>\$ 141,507</u>
Escrow Funds					\$ 74,195
Unencumbered Balance					67,312
					<u>\$ 141,507</u>

CAMDEN'S ACADEMY CHARTER HIGH SCHOOL, INC.
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2015

Revenues and Other Financing

Sources

Interest

\$

Interest Reimbursement

Total Revenues

Expenditures and Other Financing Uses

Construction Services

15,805

Total Expenditures

15,805

Excess (Deficiency) of Revenues Over (Under) Expenditures

(15,805)

Other Financing Sources and Uses:

Net Position - Beginning

157,312

Net Position - Ending

\$ 141,507

PROPRIETARY FUND

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

Food Services Fund – This fund provides for the operation of food services in all Schools.

THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5 AND B-6.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
FOOD SERVICES ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2014)

	<u>2015</u>	<u>2014</u>
ASSETS:		
Current Assets:		
Cash	\$ 134,638	\$ 105,548
Accounts Receivable:		
State	496	518
Federal	31,937	32,704
Other		8,999
Interfund Receivable	2,341	
Intergovernmental Receivable		137
Total Assets	<u>\$ 169,412</u>	<u>\$ 147,906</u>
LIABILITIES		
Current Liabilities:		
Intergovernmental Payable	\$ 77,970	\$ 81,419
Total Liabilities	<u>77,970</u>	<u>81,419</u>
NET POSITION		
Unrestricted	<u>91,442</u>	<u>66,487</u>
Total Net Position	<u>\$ 91,442</u>	<u>\$ 66,487</u>

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
FOOD SERVICES ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2015

	<u>2015</u>	<u>2014</u>
OPERATING REVENUES:		
Local Sources:		
Daily Sales - Reimbursable Programs:	\$ 11,580	\$ 19,719
Total Operating Revenue	<u>11,580</u>	<u>19,719</u>
OPERATING EXPENSES:		
Satellite Food Service Operation Cost	217,048	190,695
Other Costs	321	37
Total Operating Expenses	<u>217,369</u>	<u>190,732</u>
Operating Loss	<u>(205,789)</u>	<u>(171,013)</u>
Non-Operating Revenues:		
State Sources:		
State School Lunch Program	3,074	3,116
Federal Sources:		
School Breakfast Program	35,257	23,288
National School Lunch Program	164,950	160,467
National School Snack Program	16,104	13,285
Interest	110	98
Total Non-Operating Revenues	<u>219,495</u>	<u>200,254</u>
Net Income before Operating Transfers	13,706	29,241
Other Financing Sources (Uses):		
Transfer from General Fund	20,248	
Prior Year Receivable Adjustment	(8,999)	
Net Income	<u>24,955</u>	<u>29,241</u>
Net Position - July 1	<u>66,487</u>	<u>37,246</u>
Net Position - June 30	<u>\$ 91,442</u>	<u>\$ 66,487</u>

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
FOOD SERVICES ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Cash Flows from Operating Activities:		
Receipts from Customers	\$ 11,717	\$ 19,719
Payments to Suppliers	(220,818)	(201,353)
Net Cash Used by Operating Activities	<u>(209,101)</u>	<u>(181,634)</u>
Cash Flows from Non-capital Financing Activities		
Cash Received from General Fund Reimbursements	17,907	
Cash Received from State and Federal Reimbursements	220,174	200,156
Net Cash Provided by Non-capital Financing Activities	<u>238,081</u>	<u>200,156</u>
Cash Flows from Investing Activities		
Interest and Dividends	110	98
Net Cash Provided by Non-capital Financing Activities	<u>110</u>	<u>98</u>
Net Increase (Decrease) in Cash	29,090	18,620
Cash and Cash Equivalents, July 1	<u>105,548</u>	<u>86,928</u>
Cash and Cash Equivalents, June 30	<u>\$ 134,638</u>	<u>\$ 105,548</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	\$ (205,789)	\$ (171,013)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities:		
Depreciation		
Food Distribution		
Changes in Assets and Liabilities:		
Decrease/(Increase) in Accounts Receivable		(1,023)
Decrease/(Increase) in Intergovernmental Accounts Receivable	137	(26,986)
(Decrease)/Increase in Intergovernmental Accounts Payable	(3,449)	17,388
Total Adjustments	<u>(3,312)</u>	<u>(10,621)</u>
Net Cash Used by Operating Activities	<u>\$ (209,101)</u>	<u>\$ (181,634)</u>

FIDUCIARY FUNDS

Fiduciary Funds are used to account for funds received by the school district for a specific purpose.

Agency Funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments an/or other funds.

Student Activity Fund – This agency fund is used to account for student funds held at the schools.

Payroll Fund – This agency fund is used to account for the payroll transactions of the school.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2014)

	Expendable	Agency		Total	
	Unemployment	Student	Payroll	2015	2014
	Trust	Activity	Payroll	2015	2014
ASSETS:					
Cash and Cash Equivalents	\$ 43,990	\$ 21,621	\$ 3,101	\$ 68,712	\$ 77,068
Due from Payroll Agency Account	2,568			2,568	
Total Assets	\$ 46,558	\$ 21,621	\$ 3,101	\$ 71,280	\$ 77,068
 LIABILITIES AND NET POSITION:					
Liabilities:					
Accounts Payable	\$ 26	\$	\$	\$ 26	\$ 6,362
Due to Student Groups		21,621		21,621	28,590
Payroll Deductions and Withholding			463	463	5,276
Due to Unemployment Trust			2,568	2,568	
Due to General Fund	6,123		70	6,193	3,218
Total Liabilities	6,149	21,621	3,101	30,871	43,446
Net Position:					
Held in Trust for Unemployment Claims and Other Purposes	40,409			40,409	33,622
Total Liabilities and Net Position	\$ 46,558	\$ 21,621	\$ 3,101	\$ 71,280	\$ 77,068

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2014)

	<u>2015</u>	<u>2014</u>
REVENUES:		
Local Sources:		
Deposits	\$ 14,023	\$ 4,582
Interest	43	36
Total Revenue	<u>14,066</u>	<u>4,618</u>
EXPENDITURES:		
Current Expense:		
Unemployment Compensation Claims	<u>7,279</u>	<u>4,592</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,787	26
Net Position, July 1	<u>33,622</u>	<u>33,596</u>
Net Position, June 30	<u>\$ 40,409</u>	<u>\$ 33,622</u>

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>July 1,</u> <u>2014</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Accounts</u> <u>Payable</u> <u>June 30,</u> <u>2015</u>	<u>Balance</u> <u>June 30,</u> <u>2015</u>
Student Activity Fund	\$ 28,590	\$ 87,994	\$ 94,963	\$	\$ 21,621

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>		<u>Additions</u>		<u>Deletions</u>		<u>Balance</u> <u>June 30, 2015</u>
ASSETS:							
Cash and Cash Equivalents	\$ 6,963	\$	2,840,607	\$	2,844,469	\$	3,101
Due from Current Fund			1,692		1,692		
Total Assets	<u>\$ 6,963</u>	<u>\$</u>	<u>2,842,299</u>	<u>\$</u>	<u>2,846,161</u>	<u>\$</u>	<u>3,101</u>
LIABILITIES AND RESERVES:							
Due to Current Fund	\$ 1,687	\$	70	\$	1,687	\$	70
Due to Unemployment Trust			2,568				2,568
Payroll Deductions and Withholdings	5,276		2,839,661		2,844,474		463
Total Liabilities	<u>6,963</u>		<u>2,842,299</u>		<u>2,846,161</u>		<u>3,101</u>
Total Liabilities and Reserves	<u>\$ 6,963</u>	<u>\$</u>	<u>2,842,299</u>	<u>\$</u>	<u>2,846,161</u>	<u>\$</u>	<u>3,101</u>

LONG-TERM DEBT SCHEDULES

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
SCHEDULE OF SERIAL BONDS
AS OF JUNE 30, 2015

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance July 1, 2014</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance June 30, 2015</u>
Construction of Renovations to an existing building referred to as The Charter School Network Building	7/8/11	\$2,467,080	2015 - 16	\$ 240,878	Subsidized	\$			
			2016 - 17	254,216					
			2016 - 17	268,056					
			2017 - 18	282,649					
			2018 - 19	297,971					
			2019 - 20	314,258					
			2021 - 22	26,951		\$	1,913,633	\$	
						\$		\$	228,654
						\$		\$	1,684,979

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDING JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy- State Share	\$ 228,654	\$	\$ 228,654	\$ 228,654	\$
Total Revenues - Local Sources	<u>228,654</u>		<u>228,654</u>	<u>228,654</u>	
EXPENDITURES					
Regular Debt Service:					
Redemption of Principal	228,654		228,654	228,654	
Total Regular Debt Service	<u>228,654</u>		<u>228,654</u>	<u>228,654</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures					
Fund Balances, July 1					
Fund Balances, June 30	\$	\$	\$	\$	\$
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	\$	\$	\$	\$	\$

STATISTICAL SECTION

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(UNAUDITED)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$ 449,355	\$ 489,933	\$ 463,414	\$ 435,732	\$ 2,134,100	\$ 2,562,788	\$ 1,915,167	\$ 2,842,907	\$ 3,382,781	\$ 286,130
Restricted:										
Capital Reserve			8,739	8,870	22,009	450,735	537,165	778,448		
Capital Projects						929,733	929,733	929,733	929,733	929,733
Other Purposes									157,312	141,507
Unrestricted	455,786	364,960	380,154	1,335,169	1,142,474	205,433	1,120,822	534,322	397,960	75,000
Total Governmental Activities Net Position	\$ 905,141	\$ 854,893	\$ 852,307	\$ 1,779,771	\$ 3,298,583	\$ 4,148,689	\$ 4,502,887	\$ 5,085,410	\$ 5,103,003	\$ 931,375
Business-Type Activities										
Invested in Capital Assets, Net of Related Debt	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Unrestricted	69,553	66,207	62,790	2,565	13,097	1,638	21,449	37,246	66,487	91,442
Total Business-Type Activities Net Position	\$ 69,553	\$ 66,207	\$ 62,790	\$ 2,565	\$ 13,097	\$ 1,638	\$ 21,449	\$ 37,246	\$ 66,487	\$ 91,442
District-Wide										
Invested in Capital Assets, Net of Related Debt	\$ 449,355	\$ 489,933	\$ 463,414	\$ 435,732	\$ 2,134,100	\$ 2,562,788	\$ 1,915,167	\$ 2,842,907	\$ 3,382,781	\$ 286,130
Restricted:										
Capital Reserve			8,739	8,870	22,009	929,733	929,733	929,733	929,733	929,733
Capital Projects									157,312	141,507
Other Purposes						450,735	537,165	778,448	397,960	75,000
Unrestricted	525,339	431,167	442,944	1,337,734	1,155,571	207,071	1,142,271	571,568	301,704	(409,553)
Total District-Wide Net Position	\$ 974,694	\$ 921,100	\$ 915,097	\$ 1,782,336	\$ 3,311,680	\$ 4,150,327	\$ 4,524,336	\$ 5,122,656	\$ 5,169,490	\$ 1,022,817

Source: CAFR Schedule A-1

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(UNAUDITED)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 1,774,862	2,065,828	2,004,557	2,380,732	2,545,687	2,837,182	2,925,618	2,993,633	3,361,632	3,813,325
Support Services										
Administrative	1,255,833	1,291,338	1,330,128	1,240,803	1,672,382	1,696,189	1,387,027	1,541,093	639,491	821,643
Support	1,469,385	1,893,968	1,938,616	1,697,923	1,980,987	1,962,055	2,431,953	2,695,813	4,149,226	4,772,551
Capital Outlay										
Facilities Acquisition and Construction Services										
Unallocated Depreciation	20,144	26,975	31,426	31,428	77,035	128,500	197,387	225,676	357,576	304,780
Total Governmental Activities Expenses	4,520,224	5,278,109	5,304,727	5,350,886	6,276,091	6,623,926	6,941,985	7,456,215	8,507,925	9,712,299
Business-Type Activities										
Food Service	77,493	107,509	122,085	160,427	173,075	202,844	177,747	185,770	190,732	217,369
Total Business-Type Activities Expense	77,493	107,509	122,085	160,427	173,075	177,747	177,747	185,770	190,732	217,369
Total District Expenses	\$ 4,597,717	5,385,618	5,426,812	5,511,313	6,449,166	6,801,673	7,119,732	7,641,985	8,698,657	9,929,668
Program Revenues										
Governmental Activities										
Charges for Services	\$									
Operating Grants and Contributions	543,085	821,945	416,695	573,384	1,080,153	915,905	886,831	952,735	990,902	1,670,956
Total Governmental Activities Program Revenues	543,085	821,945	416,695	573,384	1,080,153	886,831	886,831	952,735	990,902	1,670,956
Business-Type Activities										
Charges for Services										
Food Service	5,743	8,947	8,074	12,449	13,981	12,594	26,749	24,488	19,719	11,580
Operating Grants and Contributions	81,051	94,218	109,510	147,460	169,578	178,729	178,729	177,004	200,156	219,385
Total Business-Type Activities Program Revenues	86,794	103,165	117,584	159,909	183,559	205,478	205,478	201,492	219,875	230,965
Total District Program Revenues	\$ 629,879	925,110	534,279	733,293	1,263,712	1,092,309	1,092,309	1,154,227	1,210,777	1,901,921
Net (Expense)/Revenue										
Governmental Activities	\$ (3,977,139)	(4,456,164)	(4,888,032)	(4,777,502)	(5,195,938)	(5,708,021)	(6,055,154)	(6,503,480)	(7,517,023)	(8,041,343)
Business-Type Activities	9,301	(4,344)	(4,501)	(518)	10,484	(11,521)	27,731	15,722	29,143	13,596
Total District-Wide Net Expense	\$ (3,967,838)	(4,460,508)	(4,892,533)	(4,778,020)	(5,185,454)	(6,027,423)	(6,027,423)	(6,487,758)	(7,487,880)	(8,027,747)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Property Taxes Levied for General Purposes, Net	\$ 532,728	602,515	700,975	257,545	310,019	310,019	5,933,757	6,722,785	6,799,360	7,305,318
Unrestricted Grants and Contributions	3,544,207	3,789,988	4,089,753	5,438,914	5,861,811	5,861,811	319,936	393,994	458,780	395,866
Investment Earnings	17,124	20,213		1,674	1,747	1,747	1,494	1,669	1,588	1,027
Miscellaneous Income	40,446	(6,800)	59,670	6,833	541,173	541,173	164,366	80,740	274,888	28,332
Fixed Asset Adjustments										
Transfers										
Total Governmental Activities	4,134,505	4,405,916	4,850,398	5,704,966	6,714,750	6,714,750	6,419,553	7,199,188	7,534,616	4,615,064
Business-Type Activities										
Miscellaneous Income										
Investment Earnings	577	998	1,084	293	48	62	49	75	98	(8,999)
Transfer				(60,000)						
Total Business-Type Activities	577	998	1,084	(59,707)	48	62	49	75	98	11,359
Total District-Wide	\$ 4,135,082	4,406,914	4,851,482	5,645,259	6,714,798	6,714,812	6,419,602	7,199,263	7,534,714	4,626,423
Change in Net Position										
Governmental Activities	\$ 157,366	(50,248)	(37,634)	927,464	1,518,812	850,106	364,399	695,708	17,593	(3,426,279)
Business-Type Activities	9,878	(3,346)	(3,417)	(60,225)	10,532	(11,459)	27,780	15,797	29,241	24,955
Total District-Wide	\$ 167,244	(53,594)	(41,051)	867,239	1,529,344	392,179	392,179	711,505	46,834	(3,401,324)

Source: CAFR Schedule A-2

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
FUND BALANCES-GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(UNAUDITED)

	<u>Fiscal Year Ending June 30,</u>									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund										
Restricted										
Capital Reserve								\$ 929,733	\$ 929,733	\$ 929,733
Escrow Account								75,000	75,000	75,000
Assigned										
Other Purposes								543,608	322,960	199,520
Unassigned								543,625	243,632	71,028
Reserved	\$ 65,946	\$	\$ 8,739	\$ 8,870	\$ 880,034	\$ 1,380,468	\$ 929,733			
Unreserved	395,202	371,929	353,682	1,310,304	261,191	183,782	1,017,838			
Total General Fund	\$ 461,148	\$ 371,929	\$ 362,421	\$ 1,319,174	\$ 1,141,225	\$ 1,564,250	\$ 1,947,571	\$ 2,091,966	\$ 1,571,325	\$ 1,275,281
All Other Governmental Funds										
Restricted	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Unreserved, Reported in:										
Capital Projects Fund							176,430	159,840	157,312	141,507
Total All Other Governmental Funds	\$	\$	\$	\$	\$	\$	\$ 176,430	\$ 159,840	\$ 157,312	\$ 141,507

Source: CAFR Schedule B-1

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(UNAUDITED)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Revenues										
Tax Levy	\$ 532,728	\$ 602,515	\$ 700,975	\$ 264,312	\$ 310,019	\$ 6,057,426	\$ 5,933,757	\$ 6,722,785	\$ 6,799,360	\$ 7,305,318
Categorical Aid					5,861,811	321,753	319,936	393,994	458,780	395,866
Miscellaneous	57,570	13,413	59,670	5,270	542,920	153,882	165,677	82,409	276,476	29,359
State Sources	3,685,099	4,062,920	4,089,753	5,584,708	329,735	337,287	426,391	560,196	510,402	610,433
Federal Sources	402,193	549,013	416,695	415,457	750,418	628,618	460,440	392,539	480,500	449,170
Total Revenues	4,677,590	5,227,861	5,267,093	6,269,747	7,794,903	7,498,966	7,306,201	8,151,923	8,525,518	8,790,146
Expenditures										
Instruction										
Regular Instruction	1,774,862	2,065,828	2,004,557	2,380,732	2,545,687	2,837,182	2,925,618	2,993,633	3,361,632	3,813,325
Support Services										
Administration	1,255,833	1,263,745	1,330,128	1,125,942	1,672,382	1,696,189	1,387,027	1,541,093	640,379	823,063
Support	1,452,282	1,921,561	1,938,616	1,806,913	1,980,987	1,962,055	2,562,898	2,696,711	4,149,226	4,141,999
Capital Outlay	30,419	65,946	3,300	2,139	1,773,796	555,581	1,977,435	947,763	680,601	74,706
Debt Service Principal								205,653	216,849	228,654
Total Expenditures	4,513,396	5,317,080	5,276,601	5,315,726	7,972,852	7,051,007	8,852,978	8,384,853	9,048,687	9,081,747
Excess (Deficiency) of Revenues Over (Under) Expenditures	164,194	(89,219)	(9,508)	954,021	(177,949)	447,959	(1,546,777)	(232,930)	(523,169)	(291,601)
Other Financing Sources (Uses)										
Prior Year Revenue Adjustment Transfers						(24,934)				(20,248)
Total Other Financing Sources (Uses)						(24,934)				(20,248)
Net Change in Fund Balances	\$ 164,194	\$ (89,219)	\$ (9,508)	\$ 954,021	\$ (177,949)	\$ 423,025	\$ (1,546,777)	\$ (232,930)	\$ (523,169)	\$ (311,849)
Debt Service as a Percentage of Noncapital Expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.7%	2.6%

Source: CAFR Schedule B-2

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Interest on Investments	Rent	Teacher Mentoring	Prior Year Tuition	Refund of Prior Year Expenditure	Prior Year P.O. Adjustment	Parades	Misc.	Total
2015	\$ 1,027	\$ 27,348	\$	\$	\$	\$	\$	\$ 984	\$ 29,359
2014	1,588	247,495			17,097	2,148	2,400	5,741	276,469
2013	1,669	38,938				25,292		16,489	82,388
2012	1,494	137,320				26		26,863	165,703
2011	1,418	136,000				12,338		4,126	153,882
2010	1,747	514,717						26,456	542,920
2009	1,674							3,596	5,270
2008	6,863					3,721		49,086	59,670
2007	20,213					(6,800)			13,413
2006	17,124	9,481	1,755	2,000	9,481	9,993		17,217	67,051

Source: District Records

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
DEMOGRAPHIC AND ECONOMIC STATISTICS**
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income (Thousands of Dollars) ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2015	* 77,712	\$ 3,582,756,336	\$ 46,103	12.7%
2014	77,332	3,607,780,903	45,972	16.1%
2013	76,783	3,497,004,952	45,544	16.0%
2012	77,271	3,482,063,073	45,063	18.5%
2011	77,567	3,430,710,843	44,229	19.6%
2010	77,423	3,269,573,290	42,230	18.6%
2009	78,790	3,312,016,440	42,036	17.8%
2008	79,519	3,344,251,064	42,056	11.8%
2007	79,263	3,233,771,874	40,798	9.6%
2006	79,201	3,118,460,174	39,374	10.7%

** The above demographics reflect the entire City of Camden population.

The students of Camden Academy Charter High School represent approximately 15% of the total number of students within the City of Camden.

* Estimate

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal income

^c Per Capita (County information vs. municipality information)

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
FULL-TIME EQUIVALENT CHARTER SCHOOL EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction										
Regular	40	38	37	46	51	44	42	48	56	56
Special Education	5	4	4	4	6	6	6	6	6	6
Vocational										
Other Instruction										
Support Services:										
Student & Instruction Related Services	3	3	3	3	4	2	2	1	1	1
General Administrative Services	2	2	2	2	3	3	3	3	3	3
School Administrative Services						2	2	1	1	1
Business Administrative Services						1	1	1	1	1
Plant Operations and Maintenance						1	1	1	1	1
Pupil Transportation				3	3			5	5	5
Total	<u>50</u>	<u>47</u>	<u>46</u>	<u>58</u>	<u>67</u>	<u>59</u>	<u>57</u>	<u>66</u>	<u>74</u>	<u>74</u>

Source: District Personnel Records

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
OPERATING STATISTICS
LAST TEN FISCAL YEARS
 (UNAUDITED)

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2015	464	\$ 9,007,041	20,801	15.52%	62	9 : 1	466.2	437.83	4.54%	93.92%
2014	433	8,368,086	19,326	7.32%	48	9 : 1	437.1	411.23	4.54%	94.08%
2013	413	7,437,090	18,007	5.81%	54	9 : 1	418.1	391.76	2.43%	93.70%
2012	404	6,875,543	17,019	8.21%	48	9 : 1	408.2	384.53	-0.24%	94.20%
2011	413	6,495,426	15,727	3.51%	50	9 : 1	409.2	376.46	0.42%	92.00%
2010	408	6,199,056	15,194	10.90%	57	9 : 1	407.5	375.36	3.64%	92.11%
2009	388	5,315,726	13,700	3.66%	50	8 : 1	393.2	365.70	-0.35%	93.01%
2008	399	5,273,301	13,216	-0.08%	41	9 : 1	394.6	371.00	-0.88%	94.02%
2007	397	5,251,134	13,227	14.48%	42	8 : 1	398.1	370.90	1.45%	93.17%
2006	388	4,482,977	11,554	11.31%	45	9 : 1	392.4	365.20	1.90%	93.07%

Sources: District records, ASSA and Schedule J-14

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS)

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>District Building</u>										
<u>Elementary</u>	N/A									
Square Feet										
Capacity (students)										
Enrollment										
Square Feet										
Capacity (students)										
Enrollment										
<u>Middle</u>	N/A									
Square Feet										
Capacity (students)										
Enrollment										
<u>High</u>										
Camden Academy Charter High School, Inc.										
Square Feet	68,305	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000
Capacity (students)	400	500	500	500	500	500	500	500	500	500
Enrollment	388	397	399	388	408	413	404	413	465	464
<u>Other</u>	N/A									
Administration Building										
Square Feet										
Transportation										
Square Feet										
Maintenance Offices										
Square Feet										
Number of Schools at June 30, 2015										
Elementary =										
Middle School =										
High School =	1									
Other =										

Source: District records, ASSA

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of any additions. Enrollment is based on the annual October district count.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
INSURANCE SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

Company	Type of Coverage	Coverage	Deductible
	July 1, 2014 - July 1, 2015:		
NJSBAIG	Commercial Policy		
	Property - Blanket Building & Personal Property	\$ 31,030,300	\$ 1,000
	Comprehensive General Liability		
	Products and Completed Operations	6,000,000	1,000
	Personal Advertising Injury	6,000,000	1,000
	Bodily Injury & Property Damage	6,000,000	1,000
	Employee Benefits Liability	6,000,000	5,000
	Comprehensive Automobile Liability	6,000,000	1,000
	Boiler and Machinery	100,000,000	5,000
	Employee Dishonesty Coverage	100,000	1,000
	Inland Marine	253,000	1,000
	Legal Liability	5,000,000	5,000
	Workman's Compensation:		
	Bodily Injury from Accident	2,000,000	
	Bodily Injury from Disease/Aggregate Limit	2,000,000	
	Bodily Injury from Disease/ Each Employee	2,000,000	
Markel Ins. Co.	Workman's Compensation Supplemental Policy	Full Salary	
	Surety Bonds		
NJ School Boards	Treasurer's Bond	475,000	
	Business Administrator	50,000	
Ohio Casualty Ins. Co.	Asst. Business Administrator	10,000	
Berkley Ins. Co.	Compulsory Student Accident	1,000,000	
Markel Ins. Co.	Catastrophic Student Accident	2,000,000	
	Catastrophic Cash Benefit - Maximum Benefit	500,000	25,000

Source: District Records

CAMDENS ACADEMY CHARTER SCHOOL, INC
PERFORMANCE FRAMEWORK
FINANCIAL INDICATORS - FISCAL RATIOS
JUNE 30, 2015
(UNAUDITED)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>Source</u>	
Cash	\$ 2,691,479	\$ 1,863,954	\$ 1,351,537	Audit: Exhibit A-1	
Current Assets	3,001,725	2,220,062	1,683,190	Audit: Exhibit A-1	
Total Assets	7,975,114	7,516,476	3,654,299	Audit: Exhibit A-1	
Current Liabilities	938,825	718,910	422,833	Audit: Exhibit A-1	
Total Liabilities	2,852,458	2,403,889	2,762,366	Audit: Exhibit A-1	
Net Position	<u>\$ 5,122,656</u>	<u>\$ 5,112,587</u>	<u>\$ 891,933</u>	Audit: Exhibit A-1	
Total Revenue	8,353,490	8,745,491	6,528,344	Audit: Exhibit A-2	
Total Expenses	7,641,985	8,698,657	9,929,668	Audit: Exhibit A-2	
Change in Net Position	<u>\$ 711,505</u>	<u>\$ 46,834</u>	<u>\$ (3,401,324)</u>	Audit: Exhibit A-2	
Depreciation Expense	\$ 225,676	\$ 357,576	\$ 304,780	Financial Statements/Audit Workpapers	
Interest Expense				Financial Statements/Audit Workpapers	
Principal Payments	205,653	216,849	228,654	Financial Statements/Audit Workpapers	
Interest Payments	119,167	107,972	107,972	Financial Statements/Audit Workpapers	
Final Average Daily Enrollment	418	418	418	DOE Enrollment Reports	
March 30th Budgeted Enrollment	413	413	413	Charter School Budget	
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>3 Year Cumulative</u>	<u>Source</u>
Near Term Indicators					
Current Ratio	3.20	3.09	3.98	3.32	Current Assets/ Current Liabilities
Unrestricted Days Cash	128.55	78.21	49.68	82.07	Cash/ (Total Expenses/365)
Enrollment Variance	101%	101%	101%	101%	Average Daily Enrollment/Budgeted Enrollment
Default	No	No	No		Audit
Sustainability Indicators					
Total Margin	9%	1%	-52%	-11%	Change in Net Position/Total Revenue
Debt to Asset	0.36	0.32	0.76	0.42	Total Liabilities/Total Assets
Cash Flow	0	(875,525)	(512,417)	(1,387,942)	Net change in cash flow from prior years
Debt Service Coverage Ratio	3	1	(9)	(2)	<u>(Change in Net Position+Interest Expense)</u> (Principal & Interest Payments)

SINGLE AUDIT SECTION

NIGHTLINGER, COLAVITA & VOLPA*A Professional Association**Certified Public Accountants*

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November 27, 2015

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITOR'S REPORT

The Members of the Board of Trustees
Camden Academy Charter High School, Inc.
County of Camden
Camden, New Jersey 08105

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Trustees of the Camden Academy Charter High School, Inc., in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Board of Trustees of the Camden Academy Charter High School, Inc.'s basic financial statements and have issued our report thereon dated November 27, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Camden Academy Charter High School, Inc. Board of Trustee's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Camden Academy Charter High School, Inc. Board of Trustee's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Camden Academy Charter High School, Inc. Board of Trustee's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weakness. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Camden Academy Charter High School, Inc. Board of Trustees' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, labeled Finding 2015-1, that we have reported to the Camden Academy Charter High School, Inc. Board of Trustees' in the separate *Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance* dated November 27, 2015.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Governmental Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management, the Camden Academy Charter High School, Inc. Board of Trustees, the New Jersey Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA, RMA
Licensed Public School Accountant
No. 915

NIGHTLINGER, COLAVITA & VOLPA

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November 27, 2015

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON
INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON
SCHEDULE OF AWARDS REQUIRED BY OMB CIRCULAR A-133
AND NEW JERSEY OMB CIRCULAR 04-04 AND 15-08**

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Camden Academy Charter High School, Inc.
County of Camden
Camden, New Jersey 08105

Report on Compliance for Each Major Program

We have audited the Board of Trustees of the Camden Academy Charter High School, Inc., in the County of Camden, State of New Jersey, compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of Camden Academy Charter High School, Inc. Board of Trustees' major federal and state programs for the fiscal year ended June 30, 2015. The Camden Academy Charter High School, Inc. Board of Trustees major federal and state programs is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Camden Academy Charter High School, Inc.'s major federal and state compliance based on our audit of the types of compliance requirements referenced above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; OMB Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey's OMB's 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and OMB Circular A-133 and New Jersey OMB's Circular 04-04 and 15-08, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Camden Academy Charter High School, Inc. Board of Trustees compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of Camden Academy Charter High School, Inc. Board of Trustees compliance with those requirements.

Opinion on Each Major Program

In our opinion, the Board of Trustees of the Camden Academy Charter High School, Inc., in the County of Camden, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the Board of Trustees of the Camden Academy Charter High School, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered Camden Academy Charter High School, Inc. Board of Trustees' internal control over compliance with the requirements that could have a direct and material effect on a major federal and or state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB's Circular 04-04 and 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Camden Academy Charter High School, Inc. Board of Trustees' internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and or state program will not be prevented, or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a major program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. We did note one instance of deficiency in internal control over compliance that we consider to be significant and have reported to the Camden Academy Charter High School, Inc. Board of Trustees' in the separate *Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance* dated November 27, 2015, labeled Finding 2015-2. However, material weaknesses may exist that have not been identified.

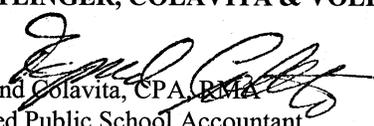
Camden Academy Charter High School, Inc.'s response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Camden Academy Charter High School, Inc.'s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey OMB's Circular 04-04 and 15-08.

This report is intended solely for the information and use of the audit committee, management, the Camden Academy Charter High School, Inc. Board of Trustees, the New Jersey State Department of Education, and other state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA


Raymond Colavita, CPA, RMA
Licensed Public School Accountant
No. 915

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SCHEDULE A)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal Grantor/Pass-Through Grantor/ Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2014	Carryover (Walkover) Amount	Cash Received	Budgetary Expend- itures	Adjustments	Balance at June 30, 2015		
				From	To						(Accounts Receivable)	Unearned Revenue	Due to Grantor
U.S. Department of Agriculture													
Passed-through State Department of Education:													
Enterprise Fund:													
National School Lunch Program	10.555	N/A	\$ 164,950	7/1/14	to 6/30/15			\$ 139,835	\$ (164,950)		\$ (25,115)		
National School Lunch Program	10.555	N/A	160,467	7/1/13	to 6/30/14	\$ (26,980)		26,980					
National School Breakfast Program	10.553	N/A	35,257	7/1/14	to 6/30/15			29,902	(35,257)		(5,355)		
National School Breakfast Program	10.553	N/A	23,288	7/1/13	to 6/30/14	(4,280)		4,280					
National School Snack Program	10.555	N/A	16,104	7/1/14	to 6/30/15			14,637	(16,104)		(1,467)		
National School Snack Program	10.555	N/A	13,285	7/1/13	to 6/30/14	(1,444)		1,444					
Total Enterprise Fund:						(32,704)		217,078	(216,311)		(31,937)		
U.S. Department of Education													
Passed-through State Department of Education:													
Special Revenue Fund:													
Title I, Part A	84.010A	NCLB-6212-15	315,127	7/1/14	to 6/30/15			258,867	(337,191)	\$ 30	(78,294)		
Title I, Part A Carryover	84.010A	NCLB-6212-14	338,618	7/1/13	to 6/30/14	(161,444)		161,304		140			
Title II, Part A	84.367A	NCLB-6212-15	12,963	7/1/14	to 6/30/15			14,699	(14,699)				
IDEA Part B Basic	84.027	IDEA-6212-15	103,128	7/1/14	to 6/30/15			88,490	(96,978)		(8,488)		
IDEA Part B Basic	84.027	IDEA-6212-14	105,719	7/1/13	to 6/30/14	(25,414)		25,414					
						(186,858)		548,774	(448,868)	170	(86,782)		
Total Federal Financial Assistance						\$ (219,562)		\$ 765,852	\$ (665,179)	\$ 170	\$ (118,719)		

The accompanying Notes to the Financial statements and Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (SCHEDULE B)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To		Balance at June 30, 2014			Repayment of Prior Years' Balances	Balance at June 30, 2015			
					Unearned Revenue (Accts. Rec.)	Due to Grantor	Cash Received		Budgetary Expenditures	(Accounts Receivable)	Unearned Revenue/ Interfund Payable	Due to Grantor
State Department of Education												
General Fund												
Equalization Aid	15-495-034-5120-078	\$6,546,502	7/1/14 to 6/30/15			\$ 6,398,974	\$ (6,546,502)	\$ 85,230	\$ (62,298)			
Equalization Aid	14-495-034-5120-078	6,125,537	7/1/13 to 6/30/14	\$ (40,396)		40,396						
Equalization Aid	13-495-034-5120-078	6,116,680	7/1/12 to 6/30/13		\$ 101,045			(101,045)				
Special Education Categorical Aid	15-495-034-5120-089	204,393	7/1/14 to 6/30/15			202,763	(204,393)		(1,630)			
Special Education Categorical Aid	14-495-034-5120-089	209,643	7/1/13 to 6/30/14		1,203			(1,203)				
Special Education Categorical Aid	13-495-034-5120-089	213,181	7/1/12 to 6/30/13	(1,621)				1,621				
Security Aid	15-495-034-5120-084	191,473	7/1/14 to 6/30/15			207,570	(191,473)				\$ 16,097	
Security Aid	14-495-034-5120-084	177,204	7/1/13 to 6/30/14	(717)		717						
Security Aid	13-495-034-5120-084	180,813	7/1/12 to 6/30/13		16,408			(16,408)				
Reimbursed TPAF Social Security Contrib.	15-495-034-5095-002	227,273	7/1/14 to 6/30/15			224,560	(227,273)		(2,713)			
Reimbursed TPAF Social Security Contrib.	14-495-034-5095-002	208,281	7/1/13 to 6/30/14	(1,525)		1,525						
Total General Fund				(44,259)	118,656	7,076,505	(7,169,641)	(31,805)	(66,641)			16,097
Special Project Fund												
Tech-Prep Grant	NOG05 BV10 G06	19,019	7/1/05 to 6/30/06	6,517						\$ 6,517		
				6,517						6,517		
Debt Service Fund												
Equalization Aid	15-495-034-5120-078	228,654	7/1/14 to 6/30/15			228,654	(228,654)					
State Department of Agriculture												
Enterprise Fund - State Share:												
National School Lunch Program	14-100-010-3350-023	3,116	7/1/13 to 6/30/14	(518)		518						
National School Lunch Program	15-100-010-3350-023	3,074	7/1/14 to 6/30/15			2,578	(3,074)		(496)			
				(518)		3,096	(3,074)		(496)			
Total State Financial Assistance Subject to OMB 04-04				\$ (38,260)	\$ 118,656	\$ 7,308,255	\$ (7,401,369)	\$ (31,805)	\$ (67,137)	\$ 6,517	\$ 16,097	
On Behalf TPAF Contributions Not Subject to OMB 04-04												
On-Behalf TPAF Post Retirement Medical	15-495-034-5095-001	235,078	7/1/14 to 6/30/15			\$ 235,078	\$ (235,078)					
On-Behalf TPAF Pension Contribution	15-495-034-5095-006	148,082	7/1/14 to 6/30/15			148,082	(148,082)					
Total State Financial Assistance						\$ 7,691,415	\$ (7,784,529)					

The accompanying Notes to the Financial statements and Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2015

NOTE 1: GENERAL

The accompanying schedules of expenditures of federal awards and financial assistance include federal and state ward activity of the Board of Trustees, Camden Academy Charter High School, Inc. The Board of Trustees is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedules of expenditures of federal awards and state financial assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or expenditures have been made (GASB 34).

The general fund is presented in the accompanying schedules on a modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

There was a net adjustment to reconcile from the budgetary basis to the GAAP basis of \$302 for the special revenue fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2015

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$	\$ 7,552,801	\$ 7,552,801
Special Revenue Fund	449,170		449,170
Debt Service Fund		228,654	228,654
Food Service Fund	<u>216,311</u>	<u>3,074</u>	<u>219,385</u>
Total Awards & Financial Assistance	\$ <u>665,481</u>	\$ <u>7,784,529</u>	\$ <u>8,450,010</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5: FEDERAL AND STATE LOANS OUTSTANDING

Camden Academy Charter High School had no outstanding loans at June 30, 2015.

NOTE 6: OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. There was no amount reported as TPAF Pension Contributions paid by the state on behalf of the Charter School for the year ended June 30, 2015. TPAF Social Security Contributions represent the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2015.

NOTE 7: MAJOR PROGRAMS

Major programs are identified in the Summary Auditor's Results section of the Schedule of Findings and Questioned Costs

NOTE 8: SCHOOL-WIDE PROGRAM FUNDS

The District's Federal Programs are on a school-wide program basis.

NOTE 9: ADJUSTMENTS

There were two immaterial adjustments reflected on Schedule A, Exhibit K-3, totaling \$170.

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

1) Material weakness (es) identified? _____ yes X no

2) Significant deficiencies identified? X yes _____ none reported

Noncompliance material to basic financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

1) Material weakness (es) identified? _____ yes X no

2) Significant deficiencies identified? X yes _____ none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? X yes _____ no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title - I Part A

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000.00

Auditee qualified as low-risk auditee? X yes _____ no

CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(continued)

Section I - Summary of Auditor's Results (continued)

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000.00

Auditee qualified as low-risk auditee? X yes no

Internal control over major programs:

1) Material weakness (es) identified? yes X no

2) Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 04-04 and/or 15-08 yes X no

Identification of major programs:

GMIS Number(s)

Name of State Program

15-495-034-5120-078
15-495-034-5120-089
15-495-034-5120-084

Equalization Aid
Special Education Categorical Aid
Security Aid

**CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(continued)**

Section II - Financial Statement Findings

This section identifies the significant deficiencies, material weakness and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards and with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

Finding: 2015-1

Criteria or specific requirement:

The New Jersey Department of Agriculture requires a School Food Authority to maintain a nonprofit School Food Service. The nonprofit status of the School Food Service is determined by evaluating net cash resources, which may not exceed three months average expenditures.

Condition:

Net cash resources in the Food Service Fund exceeded three months average expenditures.

Context:

Utilizing the USDA net cash resource calculation form, it was determined the Charter School's net cash resources exceeded three months average expenditures by \$26,231, as of June 30, 2015.

Effect:

The New Jersey Department of Agriculture requirement was not met.

Cause:

Inadvertent oversight.

Recommendation:

The District should implement a corrective action plan to effectively reduce the net cash resources on hand in the Food Service Fund through capital expenditure or otherwise.

Management's response:

Management is aware of the necessary procedures to be updated and followed.

**CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(continued)**

**Section III - Federal Awards and State Financial Assistance
Findings and Questioned Costs**

FEDERAL AWARDS

Finding: 2015-2

Information on the federal program:

NCLB - Title I (84.010A)

Criteria or specific requirement:

Proper internal control dictates that detail in the various records should be sufficiently analyzed and adjusted, in order to provide information for accurate financial statements.

Condition:

The General Ledger in the Special Revenue Fund was not sufficiently analyzed, in order to adjust the accounts receivable for the Title I program.

Questioned Costs:

None.

Context:

Accounts receivable were not properly reflected in the District's general ledger at June 30, 2015.

Effect:

Adjustments were required to be made as part of the audit and reflected in the financial statements.

Cause:

Inadvertent oversight.

Recommendation:

As part of the year end close out procedures, an additional review of the Title I Federal award receivable should be conducted, in order to provide complete and accurate balances for the District's financial statements.

Management's response:

Management is aware of the necessary procedures to be updated and followed.

**CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(continued)**

**Section III - Federal Awards and State Financial Assistance
Findings and Questioned Costs (continued)**

STATE AWARDS

Finding: None.

**CAMDEN ACADEMY CHARTER HIGH SCHOOL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015**

This section identifies the status of prior - year findings related to the basic financial statements and Federal and State awards that are required to be reported in accordance with Chapter 6.12 Government Auditing Standards, US OMB Circular A-133 (Section .315 (a) (b)) and New Jersey OMB's Circular 04-04 and/or 15-08.

STATUS OF PRIOR - YEAR FINDINGS

Finding: 2014-1

Information on the federal program: NCLB - Title I (84.010A)

Condition: The NCLB-Title I was not sufficiently analyzed with regard to adjusting accounts receivable and unearned revenue.

Current Status: Unresolved. See Finding labeled 2015-2.